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Of Attorneys for Debtor-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF OREGON

In re	) Case No. 16-30406-rld11
	)
SeaPort Airlines, Inc.,	) DEBTOR'S
	) DISCLOSURE STATEMENT
Debtor-in-Possession.	) (Dated: <b>07/11/16</b> )

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## **LIST OF EXHIBITS**

- Exhibit 1 - Debtor's Capital Structure**
- Exhibit 2 - Debtor's Post-Petition Cost Reductions**
- Exhibit 3 - Debtor's Prior Three Years Summary Profit & Loss Statements**
- Exhibit 4 - Debtor's Prior Three Years Summary Balance Sheets**
- Exhibit 5 - Copy of Profit & Loss Statement from Debtor's May 2015 Report**
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- Exhibit 11 - Ballot for Accepting or Rejecting Debtor's Plan**

## 1. INTRODUCTION

On February 5, 2016, SeaPort Airlines, Inc. ("Debtor") filed a voluntary petition ("Petition") for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Oregon.

The purpose of this Disclosure Statement is to provide the holders of Claims against Debtor with adequate information about Debtor and the Plan to make an informed judgment about the merits of approving the Plan. The Disclosure Statement describes the various transactions contemplated under the Plan, and includes information about how and when different Claims will be paid. You are encouraged to read the Plan, and if you have questions about its impact on your legal rights you should consult an attorney.

Factual information contained in this Disclosure Statement is the representation of Debtor only and not of any of Debtor's attorneys, accountants, or other professionals. The information has not been independently investigated by the Court.

The only representations that are authorized by the Debtor concerning itself, the value of its assets, the extent of its liabilities, or any other facts material to the proposed Plan are the representations contained in this Disclosure Statement. No representations concerning the Plan or the Debtor other than those set forth in this Disclosure Statement are authorized by the Debtor. Any representations or inducements concerning the Plan which are other than as contained in this disclosure statement should not be relied upon and should be reported to the Debtor for referral to the Bankruptcy Court for appropriate action. Most of the financial information contained in this Disclosure Statement has not been subjected to an audit by an independent certified accountant. The Debtor is not able to warrant or represent that the information contained in this Disclosure Statement is

without any inaccuracy. However, great effort has been made by the Debtor to ensure that all such information is accurate and fairly presented.

The disclosures made in this statement are for information purposes only, and in the event of a conflict between the language in this statement and the language in the Plan, the language in the Plan shall control.

As the holder of a claim against the Debtor, your vote is important. The Court may confirm the proposed Plan if it has been accepted by at least two-thirds in total dollar amount and more than one-half in number of the timely received votes of acceptance or rejection by holders of allowed claims of each voting class. In the event that the requisite acceptances are not obtained, the Debtor will request the Court to confirm the Plan, and the Plan may nevertheless be confirmed, if the Court finds that it accords fair and equitable treatment to the class or classes rejecting it.

The Debtor believes that the confirmation of the Plan is in the best interests of the holders of claims. Accordingly, the Debtor urges that you accept the Plan and that you promptly return your completed ballot so that your vote will be counted. In order to be tabulated for purposes of satisfying the above requirements, ballots of acceptance must be received at the address on the ballot no later than, \_\_\_\_\_, 2016.

## 2. DEFINITIONS

Definitions of certain terms used in the Plan of Reorganization ("Plan") and Disclosure Statement are set forth on **Exhibit A - Definitions** attached to the Plan. Other terms are defined in the text of the Plan. In either case, when a defined term is used, the first letter of each word in the defined term is capitalized. Terms used and not defined in the Plan and Disclosure Statement shall have the meanings given in the Bankruptcy Code or Bankruptcy Rules.

### **3. OFFICIAL UNSECURED CREDITORS COMMITTEE**

An Official Unsecured Creditors Committee ("Committee") has been appointed in this case pursuant to Sections 1102(a) and 1102(b) of the Bankruptcy Code. The Committee is comprised as follows:

JA Flight Services, LLC  
c/o Bruce A. Jacobs, President  
Creditors Committee Chairperson  
43W700 US Route 30  
Sugar Grove, IL 60554  
(312) 622-7200

Olson Brooksby PC  
c/o Scott Brooksby, Esq.  
200 Pacific Building  
520 SW Yamhill Street  
Portland, OR 97204  
(503) 290-2420

Memphis Propeller Service, Inc.  
c/o Mark Matthews, President  
11098 Willow Ridge Drive  
Olive Branch, MS 38654  
(662) 895-5282

The Committee has retained as its counsel:

Douglas Pahl  
PERKINS COIE LLP  
1120 NW Couch, 10th Fl  
Portland, OR 97209  
(503) 727-2087

### **4. DESCRIPTION OF THE DEBTOR**

#### **4.1 Debtor's Organization.**

Debtor is organized as a corporation and is incorporated under the laws of the State of Alaska with its principal place of business in Portland, Oregon. Debtor is taxable as a "C" corporation under the Internal Revenue Code. Debtor's capital structure is composed of shareholders of common and preferred stock. There are 5,580,000 shares of common

stock, which constitute 77.4% of the outstanding shares of the Debtor. The common stock is owned 100% by SeaPort Air Group, LLC of which 88.9% is controlled by John P. Beardsley and 11.1% is controlled by Tom Carrollo. The preferred stock is owned by a number of different investors in the Debtor with a plurality of the preferred stock (39.6%) held by the Oregon Angel Fund. A detailed summary of the Debtor's capital structure is outlined on the attached **Exhibit 1 - Debtor's Capital Structure**.

#### **4.2 Debtor's Business History.**

The Debtor was founded in 2007 as SeaPort Air Group, LLC by investors from Portland, Oregon. SeaPort's original business plan targeted premium business travelers commuting between Seattle, WA and Portland, OR (hence the name "SeaPort"). The Debtor's business plan was to differentiate service by allowing customers to avoid long-lines at TSA checkpoints and offering flight in 9-passenger Pilatus PC-12s between a private terminal at Portland International Airport ("PDX") and Seattle's Boeing Field, which is closer to downtown Seattle than Seattle-Tacoma International Airport.

Rather than complete the certification process required by the Federal Aviation Administration ("FAA") of all new air carriers, Debtor decided to purchase an existing operator to launch its business strategy. In April 2008, SeaPort Air Group, Inc. purchased Juneau, Alaska-based Alaska Juneau Aeronautics, Inc. dba Wings of Alaska. Alaska Juneau Aeronautics, Inc. eventually changed its name to SeaPort Airlines, Inc. (i.e., the Debtor) in September 2010.

The Debtor's service between Seattle and Portland was launched in June 2008. At the same time, SeaPort continued to offer scheduled and charter service in Southeast Alaska using the Wings of Alaska brand and operated with Cessna 208B Caravan and Cessna 207 Skywagon aircraft.

SeaPort's Seattle to Portland flights were met with a much stronger than anticipated competition response from incumbent airlines and SeaPort experienced significant operating losses. Debtor attempted to diversify its revenue stream by providing government subsidized air service to the small and rural communities under the Essential Air Service ("EAS") program. Debtor's first EAS route was launched in December 2008 connecting Pendleton, OR with PDX. This was followed in March 2009 with service from PDX to both Astoria and Newport, Oregon which was supported by a state grant.

Debtor's expansion continued in October 2009 when it opened a Mid-South base at Memphis, TN, and restored EAS service to four communities in Arkansas (Harrison, Hot Springs, El Dorado and Jonesboro). Expansion in the region continued in April 2010 when Debtor began offering EAS flights between Salina, KS and Kansas City, MO. From this base, EAS subsidized service through the Debtor was later added to Athens, GA; Jackson, TN; and Great Bend, KS.

In March 2011, lacking sufficient revenue to sustain service without subsidies, Debtor discontinued service to Astoria. An attempt was made to make Newport service profitable by adding a stop at Salem, however this failed and service to both markets ended in July 2011.

Faced with continued aggressive competition from larger airlines, Debtor discontinued service to Seattle's Boeing Field in January 2012. During 2012, SeaPort was completely focused on providing service to small communities and began transitioning its fleet from Pilatus PC-12 to Cessna 208B Caravans. SeaPort also sought interline e-ticketing agreements with other airlines so it could offer thru-ticketing and baggage check-in. As part of this strategy in March 2014, SeaPort became the first airline in North

America to be hosted on the Amadeus Altea suite of airline software ("ALTEA"), allowing SeaPort to enter into such interline agreements with Alaska Airlines and Hawaiian Airlines.

In May 2013, Debtor opened a fourth base of operation in San Diego initially serving Imperial/EI Centro under an EAS contract.

Despite operating losses in Fiscal Year 2013, in mid-2014 SeaPort embarked on a plan of major expansion which would result in the addition of seven new communities to its route map, including its first destination in Mexico, and six additional aircraft over the next 12 months. Management believed this expansion would result in economies of scale and allow it to better leverage the capabilities of the Altea reservation system. At its peak, SeaPort served a total of 29 destinations with a fleet of 24 aircraft.

Concurrent with the expansion, however, the price of oil experienced significant increases that resulted in higher costs to serve many routes where the level of EAS subsidy for multiple years had been earlier established based on lower fuel expenses. Additionally, the Debtor began to experience a very high rate of pilot attrition with which its recruiting and training programs could not keep pace. This was the result of a national pilot shortage caused by new Federal regulations regarding pilot experience and duty-time limitations, as well as a wave of retirements at larger airlines occurring at a time of industry-wide growth. This caused SeaPort to experience very high training costs as well as significant lost revenue (both in passenger tickets and EAS subsidy) as many flights were cancelled due to lack of crew. In the fiscal year 2014, SeaPort experienced losses totaling \$2.77 million.

In July 2015, the Debtor experienced its first fatal accident when one of its aircraft operating as "Wings of Alaska" impacted terrain near Hoonah, Alaska killing the pilot and injuring the four passengers. As a result of this event, and faced with significant operating

losses overall and aggressive competition in Southeast Alaska, SeaPort sold certain assets including the "Wings of Alaska" brand and ended all operations in Alaska in October 2015.

That same month, SeaPort's VP of Finance resigned and service was discontinued at three southeast EAS markets as consumer confidence eroded due to cancelled flights. As SeaPort's financial position worsened, many aircraft parts suppliers refused to conduct further business with SeaPort and, as a result, the number of cancelled flights increased.

In the first three quarters of fiscal year 2015, SeaPort's losses totaled \$3.2 million and SeaPort was experiencing a significant cash shortage. SeaPort was funding operations through a series of loans from its primary shareholder. Three members of SeaPort's Board of Directors resigned in December of 2015.

In January 2016, SeaPort reached an agreement with an aircraft lessor to return a significant portion of its fleet in exchange for that lessor forgiving multiple months of lease payments that were in arrears. This resulted in SeaPort cancelling all service in California, Kansas, Missouri and Mexico, and to announce that it would not begin earlier announced new service between two communities and Seattle Tacoma International Airport. That same month, SeaPort's Vice President of Operations resigned.

In January 2016, the Debtor's President & CEO Robert L. McKinney resigned and the Board of Directors voted to seek bankruptcy protection. At a subsequent meeting that month, the Board elected its Executive Vice President, Timothy F Sieber, as SeaPort's President.

At that time of the filing of the Petition, the Debtor had accumulated losses of \$9.1 million and total liabilities of \$14.4 million. The Debtor served eight airports with a fleet of

five aircraft. Service to one market (North Bend, Oregon) was subsequently discontinued in March 2016 and SeaPort's route system and fleet has been stable since.

While in bankruptcy protection, SeaPort has achieved costs reductions, restructured key operational functions, bettered employee engagement and morale, and improved flight reliability. These measures have included: consolidating and reducing the lease expense for SeaPort's headquarters; reducing the expense for the Altea reservation system; reducing the direct costs for SeaPort's IT and Communications systems; relieving SeaPort of the obligations associated with the hangar property in Juneau, Alaska; reducing its expense and rent with the Port of Portland; and reducing its workforce to a more sustainable level. These measures have resulted in a reduction to the Debtor's annual operating expenses by \$753,183, compared to what would have been the operating expenses for operating a fleet of the same size. A detailed comparison of the savings resulting from the Debtor's cost reductions is detailed on the attached **Exhibit 2 - Debtor's Post-Petition Cost Reductions**. Because the Debtor's operations are leaner and more cost effective, customer confidence is returning, and SeaPort was able to generate a modest profit in May 2016.

## **5. FINANCIAL HISTORY -- PRE-PETITION AND POST-PETITION**

### **5.1 Pre-Petition.**

The Debtor's fiscal year runs from April 1 to March 31. Summaries of the Debtor's profits and losses for last three fiscal years ending on March 31, 2014 through March 31, 2016 are attached to this Disclosure Statement as **Exhibit 3 - Debtor's Prior Three Years Summary Profit & Loss Statements**. Complete financial data for that time period is available for inspection on request and subject to appropriate confidentiality protections for the Debtor. Debtor's revenues reached a historical peak of \$24,796,990.42 in FYE 2015,

when SeaPort had expanded into 29 different destinations. As described above, due to the price of fuel and the issues of pilot retention, Debtor has sustained heavy losses during the last three quarters of 2015. Debtor's business model is now premised on initial annual gross revenues of approximately \$12 million. Expense levels have been or soon will be cut to correspond to the new revenue model, and expenses will continue to be monitored and reduced whenever possible.

A summary of the Debtor's balance sheets for fiscal years ending March 31, 2014 through March 31, 2015 is attached to this Disclosure Statement marked **Exhibit 4 - Debtor's Prior Three Years Summary Balance Sheets**. Complete financial data for that time period is available for inspection upon request and subject to appropriate confidentiality protections for the Debtor.

## **5.2 Post-Petition Operations.**

The Debtor has continued to operate its business post-petition. Total post-petition revenue has been \$3,262,915 through May 31, 2016. During the immediate post-petition period, Debtor's subsidy receivable under the EAS program was subject to offset in favor of various claims held by the United States of America. As a part of agreed offsets for partial payment of such claim, there has been a reduction on pre-petition secured claims against the estate held by various agencies of the United States of approximately \$481,042. Debtor has estimated that the remaining potential secured pre-petition claims held by the United States of America of June 30, 2016 total approximately \$140,000 (including an estimate of \$100,000 for disputed potential FAA penalties). This number could change depending on the outcome of an open FAA investigation of Debtor for possible payment of civil penalties for alleged regulatory violations (FAA case #2015NM090023).

The most current post-petition comparative income and profit-and-loss statements (taken from the May 2016 monthly report Debtor files under Bankruptcy Rule 2015), showing Debtor's actual post-petition financial results from the Petition Date (February 5, 2016) through May 31, 2016 (approximately four months), is attached marked **Exhibit 5 - Copy of Profit & Loss Statement from Debtor's May 2015 Report**. Excluding the one-time professional fees and costs of the bankruptcy case, the Debtor shows that it has made a profit (as of May 31, 2016) of the approximate sum of \$49,671 post-petition. A projected balance sheet, showing Debtor's projected assets and liabilities as of the Effective Date after completion of all payments due under the Plan on or before the Effective Date, is attached to this Disclosure Statement marked **Exhibit 6 - Debtor's Projected Confirmation Balance Sheet**.

## 6. MANAGEMENT

As outlined on the table below, the following individuals hold top management positions of the Debtor and will continue in their positions following confirmation. Upon confirmation, Debtor intends to implement limited salary increases for Mr. Sieber, Mr. McDermott and Mr. Perlitz based on performance and assumption of additional responsibilities as described below:

Name	Title	Previous Experience	Post-Confirmation Annual Salary
Timothy Sieber	President	Mr. Sieber joined the Debtor in July 2011 and most recently was Executive VP. He previously was VP & General Manager of Boyd Group International, an aviation consultancy. Mr. Sieber is currently drawing the same salary (\$104,000) as he did in his former position as the Debtor's Executive Vice President. Debtor's former President was paid a salary of \$140,000 annually.	\$115,000.00

<b>Name</b>	<b>Title</b>	<b>Previous Experience</b>	<b>Post-Confirmation Annual Salary</b>
Noel McDermott	Director of Operations	Mr. McDermott joined the Debtor as a pilot in 2009 and served as Chief Pilot from 2011 until being promoted to his current position in January, 2016 . He previously was a pilot for Horizon Air. Mr. McDermott's current salary is \$100,000 per year. In addition to his existing duties as Director of Operations, Mr. McDermott has assumed all the duties of a terminated Vice President of SeaPort, who had been paid a salary of \$105,000 annually.	\$105,000.00
James Hulburt	Director of Maintenance	Mr. Hulbert joined the Debtor in February 2016 with over 25 years of experience as an aircraft mechanic and maintenance manager. He previously was employed by the Debtor between 2009 and 2011.	\$85,000.00
David Perlitz	Director of Airports & Customer Service	Mr. Perlitz joined the Debtor in 2013 with over 25 years of experience at airlines and airline service providers. His current annual salary is \$83,400. In addition to his duties as Director of Airports, Mr. McDermott has assumed all the duties of the departed Director of Customer Service, who had been paid an annual salary of \$65,000.	\$90,000.00

## **7. LITIGATION / RELATED COURT PROCEEDINGS**

### **7.1 Pre-Petition Litigation.**

Debtor was involved in a number of suits pre-petition, which are disclosed on Debtor's Statement of Financial Affairs filed with the Court and available on request. Without exception, the pre-petition litigation in which Debtor was involved does not have a material impact on Debtor's financial condition or business operations.

### **7.2 Post-Petition Litigation.**

7.2.1 SeaPort Lawsuit Against McKinney: On May 12, 2016, the Debtor filed initiated an adversary proceeding against its former President, Robert McKinney, for

the recovery of certain post-petition transfers and for violations of the automatic stay. That proceeding has been resolved by agreement with a notice and motion to approve the settlement filed on July 1, 2016.

7.2.2 Cathey Tutwiler: In April 2016, Cathey Tutwiler filed a claim against the Debtor with the U.S. Equal Employment Opportunity Commission (Charge No. 490-1016-04182) alleging violations of federal employment laws. The Debtor disputes the alleged violations.

## **8. DEBTOR'S AFFILIATES AND OTHER ENTITIES IN WHICH DEBTOR HOLDS AN INTEREST**

The Debtor has the following Affiliates and Insiders:

**8.1 John Beardsley** - Holds 88.9% of the common stock of SeaPort Air Group LLC, and holds 38.4% of the preferred voting stock of the Debtor.

**8.2 SeaPort Group LLC** - Holds 100% of shares of common stock of Debtor. As shown by **Exhibit 1**, the members of SeaPort Group, LLC are John Beardsley and Tom Carrollo.

**8.3 Oregon Angel Fund** (comprised of various investors) - Holds 39.6% of the preferred voting stock of the Debtor.

## **9. ASSETS**

On the Petition Date, Debtor's assets consisted primarily of accounts receivable, aircraft parts and vehicles, office equipment, intellectual property (primarily domain name, trade name and website), and real estate. The real estate consisted of an airplane hangar in Juneau, Alaska and a residential property in Corbett, Oregon (the "Gordon Creek Property"). Neither had any equity above secured debt. Debtor has stipulated to the lifting of the bankruptcy stay to permit the secured creditor to foreclose the Juneau Hangar. The

Gordon Creek Property was sold in June 2016, with the Debtor receiving approximately \$10,000 to defray the costs of sale. The Debtor does not own its aircraft. The locations on which Debtor operates are leased properties. **Exhibit 7 - Debtor's Liquidation Analysis** attached to this Disclosure Statement lists Debtor's assets in more detail. A more detailed discussion of **Exhibit 7** appears in Paragraph 20.1 of this Disclosure Statement (entitled "Best Interest of Creditors Test"). The Debtor has not completed an analysis of the Avoidance Claims, but the Plan preserves all Avoidance Claims. Debtor will retain possession of all of Debtor's Assets except as otherwise provided in the Plan.

## 10. LIABILITIES

Debtor's liabilities are depicted on **Exhibit 8 (Exhibit 8 - Debtor's Liabilities)** to the Disclosure Statement. In summary, Secured Claims total \$4,016,000; Priority Claims total approximately \$196,000; and Unsecured Claims (Class 23 only) total approximately \$11,521,000.00.

Debtor retained a number of professionals in connection with Debtor's bankruptcy case, including attorneys, accountant, an auctioneer and a airline industry consultant. (The professionals, their rates and estimated fees are summarized on the attached **Exhibit 9 - Debtor's Summary of Professionals**).

In the event confirmation is contested, Debtor estimates that the fees of Vanden Bos & Chapman, LLP will be substantially higher than shown on **Exhibit 9**. Debtor's professionals are entitled to be paid on an administrative basis to the extent that their employment and fees are approved by the Court.

The fee arrangements approved for Debtor's professionals were their customary hourly rates or commission based fee structures. The professionals reserve their rights to

request allowance and payment of costs and fees in excess of the estimates shown in **Exhibit 9.**

## **11. CLASSIFICATION OF CLAIMS**

### **11.1 Secured Creditors.**

**11.1.1 Class 1 - Ally Financial.** Class 1 consists of the Allowed Secured Claim of Ally Financial in the approximate amount of \$18,837.15 for payment of amounts due under a certain automobile purchase contract dated December 17, 2014, secured by a lien on the title to a certain 2013 Ford E-350 Van.

**11.1.2 Class 2 - Axis Capital, Inc.** Class 2 consists of the Allowed Secured Claim of Axis Capital, Inc. in the approximate amount of \$191,800.35 secured by Debtor's Cessna Caravan flight simulator, duly perfected by the filing of the U.C.C. financing statement filed on December 22, 2014 with the Secretary of State for the State of Alaska (filing number 2014-796486-0).

**11.1.3 Class 3 - Chase.** Class 3 consists of the Allowed Secured Claim of Chase in the approximate amount of \$268,603 secured by a trust deed duly recorded in the property records of Multnomah County against certain real estate owned by the Debtor located at 309050 SE. Gordon Creek Rd., Corbett, OR (the "Gordon Creek Property").

**11.1.4 Class 4 - Robert N. and Darlene F. Jacobsen and Wings Airline Services, Inc.** Class 4 consists of the Allowed Secured Claim of Robert N. and Darlene F. Jacobsen and Wings Airline Services, Inc. in the approximate amount of \$1,393,194, secured by a second position trust deed against Debtor's airplane hangar located at 8421 Livingston Way, Juneau, AK (the "Juneau Hangar") and by a second position trust deed duly recorded in the property records of Multnomah County, Oregon, against the Gordon Creek Property.

11.1.5 **Class 5 - City of Memphis.** Class 5 consists of the Allowed Secured Claim of the City of Memphis in the approximate amount of \$59,942 for 2013, 2014 and 2015 for unpaid personal property taxes.

11.1.6 **Classes 6A-6D - Multnomah County.**

(a) **Class 6A - Multnomah County Tax Assessor.** Class 6A consists of the Allowed Secured Claim of the Multnomah County Tax Assessor ("Multnomah County") in the approximate amount of \$9,398 for unpaid real property taxes levied against the Gordon Creek Property.

(b) **Class 6B - Multnomah County Tax Assessor.** Class 6B consists of the Allowed Secured Claim of Multnomah County for unpaid 2014 and 2015 personal property taxes in the approximate amount of \$35,482 secured by tax warrant U631915.

(c) **Class 6C - Multnomah County Tax Assessor.** Class 6C consists of the Allowed Secured Claim of Multnomah County for estimated unpaid 2016 personal property taxes in the estimated amount of \$36,251, secured by tax warrant U631915.

(d) **Class 6D - Multnomah County Tax Assessor.** Class 6D consists of the Allowed Secured Claim of Multnomah County in the approximate amount of \$1,022 for Debtor's pro rata share of real property taxes associated with Debtor's airport ticket counter (tax warrant R672431).

11.1.7 **Class 7 - San Diego County Treasurer.** Class 7 consists of the Allowed Secured Claim of the San Diego County Treasurer for unpaid real property taxes for tax years 2015 and 2016 in the asserted amount of \$3,613.08 (plus applicable statutory interest) levied based on SeaPort's use of an airport counter at the San Diego airport.

11.1.8 **Class 8 - San Diego Regional Airport Authority.** Class 8 consists of the Allowed Secured Claim of the San Diego Regional Airport Authority for unpaid rent and other obligations in the approximate amount of \$35,431.00, secured by a letter of credit (No. 77-507445-5) issued by First Republic Bank.

11.1.9 **Class 9 - First Republic Bank.** Class 9 consists of the allowed secured claim of First Republic Bank in the approximate amount of \$35,431.00 for reimbursement of all amounts paid by First Republic Bank to the San Diego County Regional Airport Authority pursuant to First Republic Bank's letter of credit (No 77-507445-5), secured by a possessory lien on the funds previously on deposit in SeaPort's bank account with First Republic Bank.

11.1.10 **Class 10 - Shelby County Trustee, Memphis, Tennessee.** Class 10 consists of the Allowed Secured Claim of the Shelby County (Tennessee) Trustee for unpaid 2013, 2014 and 2015 ad valorem taxes in the approximate amount of \$80,848.10, including penalty and interest, secured by unidentified real estate and all furnishings and equipment owned by the Debtor located within Shelby County, Tennessee.

11.1.11 **Classes 11A-11I** consist of the claims of the United States of America, acting by and through agencies of the United States government, with the claim administered by each agency to be a separate Class as set forth below, all collectively secured, pursuant to Orders of the Bankruptcy Court authorizing Debtor's use of the cash collateral of these Classes, by a lien upon all amounts presently and hereafter owed to Debtor by the United States under the Essential Air Service ("EAS") Program, with the total of the allowed secured claims held by Classes 11A-11I not to exceed the amount of \$792,348, which was the amount due to the Debtor from the United States under the EAS Program on the Petition Date (as fixed in the Bankruptcy Court's Order -- Docket #210).

Any claims not so secured will be treated as Priority Claims, with the exception of the claim within Class 11D-United States - Federal Aviation Administration, which is a claim based on a fine or penalty not entitled to priority under 11 USC Section 508. The unsecured portion, if any, of the Claim within Class 11D will be treated as a Class 23 Claim.

(a) **Class 11A - United States - Internal Revenue Service.** Class 11A consists of the Allowed Secured Claims of the United States - Internal Revenue Service for unpaid employee withholding taxes and associated payroll contributions and for unpaid federal excise taxes in the approximate amount of \$417,000.

(b) **Class 11B - United States - Customs & Border Protection.** Class 11B consists of the Allowed Secured Claim of United States - Customs & Border Protection in the approximate amount of \$13,000.00 for customs fees and immigration air passenger fees owing because of air transportation Debtor provided to Debtor's passengers.

(c) **Class 11C - United States - Federal Aviation Administration.** Class 11C consists of the Allowed Secured Claim of the United States - Federal Aviation Administration ("FAA") in the approximate amount of \$29,750.00 owed under a civil penalty settlement reached in 2012 (FAA case 2012NM090010).

(d) **Class 11D - United States - Federal Aviation Administration.** Class 11D consists of the contingent Secured Claim of the United States - FAA for possible payment of civil penalties for alleged regulatory violations (FAA case #2015NM090023). Although the Debtor disputes the assessment of any penalty, for purposes of the Plan only, unless a different amount is fixed by the Court at or prior to the confirmation hearing, this Claim shall be estimated to be the amount of \$100,000.00, subject to subsequent adjustment upon entry of a final, nonappealable order by the

Bankruptcy Court or such other administrative agency with authority to determine the amount of the Claim within this Class.

(e) **Class 11E - United States - Transportation Security**

**Administration.** Class 11E consists of the Allowed Secured Claim of the United States - Transportation Security Administration ("TSA") for 911 Security Fees. Debtor contends its operations are not subject to assessment for 911 security fees. For purposes of the Plan, the amount of the claim within this Class shall be deemed to be zero, unless the Court allows a different amount.

(f) **Class 11F - United States - Department of Transportation.**

Class 11F consists of the Allowed Secured Claim of the United States - Department of Transportation for civil penalties in the approximate amount of \$30,000 assessed for unauthorized route cancellations related to the EAS Program.

(g) **Class 11G - United States - Occupational Safety and Health**

**Administration.** Class 11G consists of the contingent Secured Claim of the United States - Occupational Safety and Health Administration ("OSHA") against Debtor on account of a complaint filed by Robert McKinney against Debtor with OSHA (OSHA #0-1650-16-019) on or about March 4, 2016. Debtor believes that OSHA has no statutory basis to assert a monetary claim against Debtor on account of such complaint filed by Mr. McKinney.

(h) **Class 11H - United States - Equal Employment Opportunity**

**Commission.** Class 11H consists of the contingent Secured Claim of the United States - Equal Employment Opportunity Commission ("EEOC") (EEOC Charge No. 490-1016-04182) against Debtor on account of the alleged claim against Debtor filed on or about April, 2016, by Cathey Tutwiler (one of Debtor's current employees).

(i) **Class 11I - United States - Department of Agriculture.**

Class 11I consists of the Allowed Secured Claim of the United States for agricultural inspection fees associated with Debtor's former flights to and from Mexico. The estimated amount of the claim within this Class is \$6,000.

11.1.12 **Class 12 - Wells Fargo Bank, N.A.** Class 12 consists of the Allowed Secured Claim of Wells Fargo Bank, N.A. in the approximate amount of \$2,066,690 secured by a first position deed of trust against the Juneau Hangar.

**11.2 Priority Creditors.**

11.2.1 **Class 13 - Administrative Convenience Priority Claims.** Class 13 consists of all Allowed Priority Claims of less than \$4,000 entitled to priority under Section 507 of the Bankruptcy Code, excluding priority claims held by Debtor's employees.

11.2.2 **Class 14 - State of Arkansas.** Class 14 consists of the Allowed Priority Claim of the State of Arkansas, arising under 11 USC Section 507(a)(8) in the approximate amount of \$105,990.88 for unpaid ad valorem taxes, including penalties and interest.

11.2.3 **Class 15 - Oregon Department of Revenue.** Class 15 consists of the Allowed Priority Claim of the Oregon Department of Revenue for unpaid employee withholding taxes and associated payroll taxes, including workers' compensation. The amount owed is believed to be zero because all such obligations were fully paid by Debtor in the ordinary course of business post-petition.

11.2.4 **Class 16 - City of Visalia.** Class 16 consists of the Allowed Priority Claim of the City of Visalia in the approximate amount of \$6,816.40 arising under 11 USC Section 507(a)(2) for alleged post-petition use of premises located at the City of Visalia airport.

11.2.5 **Class 17 - Tennessee Department of Revenue.** Class 17 consists of the Allowed Priority Claim of the Tennessee Department of Revenue in the approximate amount of \$13,406.28 arising under 11 USC Section 507(a)(8) for unpaid ad valorem taxes, including interest and penalties.

11.2.6 **Class 18 - San Diego County Treasurer.** Class 18 consists of the Allowed Priority Claim of the San Diego County Treasurer in the approximate amount of \$8,475.05 arising under 11 USC Section 507(a)(8) for unpaid taxes, including interest and penalties.

11.2.7 **Class 19 - Sub Directo de Control de Ingresos por D.** Class 19 consists of the Allowed Priority Claim of Sub Directo de Control de Ingresos por D in the approximate amount of \$8,446 for unpaid Mexican tourism taxes.

11.2.8 **Class 20 - Distressed Passenger Reimbursements Claims.** Class 20 consists of Allowed Priority Claims actually asserted by airline passengers against Debtor pre-petition for compensation because of flight delays or cancellations ("Distressed Passenger Reimbursements Claims"). As of the Petition Date Debtor estimates the amount of claims within this Class totaled approximately \$5,422.

11.2.9 **Class 21 - Employees.** Class 21 consists of Allowed Priority Claims held by Debtor's present and former employees for unpaid wages and associated employee benefits.

### 11.3 Unsecured Creditors.

11.3.1 **Class 22 - Administrative Convenience Class.** Class 22 consists of those Creditors holding Unsecured Claims of \$200.00 or less and those creditors who elect to reduce their claims to \$200 and accept the treatment provided for in the Plan for

the Class 22 Creditors. Debtor estimates that the claims within this class total approximately \$8,297.00.

11.3.2 **Class 23 - General Unsecured Creditors.** Class 23 consists of those Creditors holding Unsecured Claims against Debtor in excess of \$200.

11.3.3 **Class 24 - Robert McKinney.** Class 24 consists of the claims of Robert McKinney asserted in Mr. McKinney's complaint filed against Debtor with OSHA on or about March 4, 2016.

11.3.4 **Class 25 - Aircraft Crash Claims.** Class 25 consists of all Claims arising against Debtor as a result of that certain crash of one of Debtor's aircraft which occurred on July 17, 2015 at or near Juneau, Alaska.

11.3.5 **Class 26 - Nancy Botts.** Class 26 consists of the Claim of Nancy Botts against Debtor for alleged negligence respecting her transportation as a passenger which occurred in the Tennessee airport on or about March 18, 2015.

11.3.6 **Class 27 - Cathey Tutwiler.** Class 27 consists of the alleged claim against Debtor filed on or about April, 2016, by Cathey Tutwiler (one of Debtor's current employees) with the EEOC (EEOC Charge No. 490-1016-04182).

11.3.7 **Class 28 - Fountain Village Development, LLC, John Beardsley and/or Janet Beardsley.** Class 28 consists of the Allowed Unsecured Claim(s) held by Fountain Village Development, LLC, John Beardsley and/or Janet Beardsley in the approximate amount of \$4,154,500.00 (excluding accrued interest) for repayment of loans made to the Debtor by Fountain Village Development, LLC, John Beardsley and/or Janet Beardsley.

11.4 **Unclassified Creditors - Equity Holders.** Equity Holders consist of all holders of any issued, unissued, authorized or outstanding capital stock, membership

interest and any other equity security, as defined in Section 101(16) of the Bankruptcy Code in any Debtor and any and all (i) shares, (ii) securities, options, warrants, rights, calls, subscriptions, agreements, commitments, conversion rights, or understandings of any nature whatsoever, fixed or contingent, that directly or indirectly (A) call for the issuance, redemption, sale, pledge or other disposition of any shares of capital stock of the Debtor or securities convertible into, or other rights to acquire capital stock of any Debtor, (B) obligate the Debtor to grant, offer or enter into any of the foregoing, (C) "phantom stock," stock appreciation rights or other similar rights the value of which is related to or based upon the price or value of any class or series of capital stock of a Debtor.

#### **11.5 Administrative Claims.**

##### **11.5.1 Administrative Claims of Non-Professionals.**

Administrative Claims of Non-Professionals include: (1) Ordinary Course Administrative Claims defined as any Unsecured Claim relating to the provision of goods or services to the Debtor arising with, or held by, person or entities with whom Debtor is conducting business on or after the Petition Date or entitled to administrative priority by order of the Bankruptcy Court; and (2) any claim by a governmental unit under Section 503(b)(1)(B) and (C) of the Bankruptcy Code, or a claim by the US Trustee for payment of US Trustee fees; and (3) Claims for re-payment of Court-approved post-petition loans to the Debtor.

##### **11.5.2 Professional Administrative Claims.**

A Professional Administrative Claim is any Administrative Claim of a professional (employed by the Debtor and/or representing the Debtor or the Creditors Committee) incurred before the Effective Date and approved by the Bankruptcy Court.

## **12. SUMMARY OF THE PLAN**

The Plan is not lengthy and should be read in its entirety. Accordingly, the summary of the Plan here will be kept brief. The specific treatment of the Claims of Creditors is set forth below:

### **12.1 Secured Creditors.**

Secured Creditors will retain their liens until paid in full, unless specifically provided otherwise in the Plan. Secured Creditors shall have the option of submitting new security agreements to Debtor consistent with the provisions of the Plan for execution by Debtor. Debtor agrees to sign such documents upon presentation.

Unless otherwise stated, any unpaid deficiency after sale, foreclosure or return of a Secured Creditor's Collateral shall be treated as an Unsecured Claim. Unless a Secured Creditor files an itemized Claim (or amends an existing Claim) to assert a deficiency Claim within 60 days after sale, foreclosure, or return of its Collateral, any such deficiency Claim shall be deemed waived. A Claim for a deficiency shall be filed with the Court and served upon the Debtor and Debtor's counsel. Unless the Debtor objects to a deficiency Claim within 60 days of service, the deficiency Claim shall be deemed allowed.

#### **12.1.1 Class 1 - Ally Financial.**

This Class will be paid the full amount owing on its claim, with interest that the non-default rates provided for in the pre-petition contract between the Creditor and the Debtor, on the same days of the month as provided for in the pre-petition contract. Any post-petition late payment penalties and post-petition default interest shall not apply. Arrears owing as of the Effective Date will be added to the principal balance and paid at the end of the contract by continuing the regular monthly payments until the entire balance

has been paid in full. Debtor estimates the balance owing to this Creditor is approximately \$18,837.15, less any amounts paid to this Creditor post-petition.

**12.1.2 Class 2 - Axis Capital, Inc.**

This Class will be paid the full amount owing on its Allowed Secured Claim, with interest at 5% per annum, on the same day of the month as provided for in the pre-petition contract. Any post-petition late payment penalties and post-petition default interest shall not apply. Unearned interest (calculated at the imputed contract rate of 14.95%) will be eliminated when determining the principal balance of the Creditors' Allowed Claim. Any arrears owing as of the Effective Date will be added to the principal balance, resulting in a new principal balance, and paid over three years in equal monthly payments commencing with the payment due in the month of December, 2016, to fully amortize the new principal balance over the three year repayment period. Debtor estimates the balance owing to this Creditor, including arrears, but excluding unearned imputed interest, as of the Petition date is approximately \$156,807.00 which would result in monthly payments of approximately \$4,699.00 over the three year repayment period. If the Debtor and the Creditor cannot reach an agreement as to the new principal amount owing as of the Petition Date, the Debtor will file a claim objection and the amount of the claim shall be determined by the Bankruptcy Court.

**12.1.3 Class 3 - Chase.**

This Class is unimpaired. This Creditor's collateral, the Gordon Creek Property, was sold on June 30, 2016, pursuant to order of the Bankruptcy Court authorizing the sale after appropriate notice to Creditors. The buyer purchased the property subject to the lien of this Creditor and assumed the responsibility for making payments to this Creditor. Accordingly, no payments will be made to this Creditor under the Plan. Upon the

occurrence of the Effective Date, this Creditor is free to exercise any and all rights it has under applicable state law.

**12.1.4 Class 4 - Robert N. and Darlene F. Jacobsen and Wings Airline Services, Inc.**

This Class is unimpaired. Prior to the confirmation hearing, Debtor sold a portion of this Creditor's collateral (the Gordon Creek Property) on June 30, 2016 with authorization of the Bankruptcy Court. This Creditor was paid the sum of \$90,000 from the closing of the sale of the Gordon Creek Property. Pursuant to an order entered upon stipulation between this creditor and the Debtor, this creditor was granted relief from stay to proceed with its applicable remedies for foreclosure of its security interest against its remaining collateral, consisting of the Juneau Hangar. Any deficiency claim after foreclosure will be treated as an Unsecured Claim under Class 23. No further payment will be made to this Creditor pursuant to the Debtor's Plan, except for any distributions to which this Creditor might become entitled as a Class 23 Claim.

**12.1.5 Class 5 - City of Memphis.**

The Allowed Secured Claim of the City of Memphis within this Class in the approximate amount of \$59,942 for 2013, 2014 and 2015 for unpaid personal property taxes, including any amounts which would otherwise be priority claims under 11 USC Section 507(a)(8) but for their secured status, shall be paid in equal monthly installments of principal plus interest at the applicable statutory rate, within five years of the Petition Date. Payments shall be due on the 15th day of each calendar month, commencing with February 15, 2017. Any unsecured, non-priority portion of this Claim shall be treated as a general Unsecured Claim, to be paid as a Class 23 Claim.

**12.1.6 Classes 6A-6D - Multnomah County.**

**(a) Class 6A - Multnomah County.**

This Class is unimpaired. The Allowed Secured Claim of the Multnomah County Tax Assessor ("Multnomah County") in the approximate amount of \$9,398 for unpaid real property taxes levied against the Gordon Creek Property was paid in full, with applicable interest at the statutory rate, from the proceeds of the sale of the Gordon Creek Property which closed on June 30, 2016. No further payment will be made to this Class by the Debtor under the Plan.

**(b) Class 6B - Multnomah County.**

This Class is unimpaired. The Allowed Secured Claim of Multnomah County within this Class for unpaid 2014 and 2015 personal property taxes in the approximate amount of \$35,482 secured by tax warrant U631915 was paid in full prior to confirmation with Court approval by turn-over of proceeds from the sale of certain aircraft parts located within Multnomah County which were subject to the statutory lien of Multnomah County for unpaid personal property taxes. No further payment will be made to this Class under the Plan.

**(c) Class 6C - Multnomah County.**

The Allowed Secured Claim of Multnomah County within this Class for unpaid 2016 personal property taxes in the estimated amount of \$36,251.00, secured by tax warrant U631915 shall be paid in equal monthly installments of principal plus interest at the applicable statutory rate, within five years of the Petition Date. Debtor is currently contesting the assessed amount, but the claim will be treated as provided herein, regardless of whether characterized as a secured claim or a priority claim. Payments shall be due on the 15th day of each calendar month, commencing with February 15, 2017.

(d) **Class 6D - Multnomah County.**

This Class is unimpaired. The Allowed Secured Claim of Multnomah County in the approximate amount of \$1,022 for Debtor's pro rata share of real property taxes associated with Debtor's airport ticket counter (tax warrant R672431), regardless of whether classified as a secured claim or an unsecured priority claim, will be treated as a **Class 13** claim.

12.1.7 **Class 7 - San Diego County Treasurer.**

The Allowed Secured Claim of the San Diego County Treasurer for unpaid real property taxes for tax years 2015 and 2016 in the asserted amount of \$3,613.08 (plus applicable statutory interest) will be paid as a Class 23 Claim. To the extent this Creditor has remedies against any collateral, this Creditor may proceed with all applicable remedies against the collateral under applicable law.

12.1.8 **Class 8 - San Diego Regional Airport Authority.**

This Class is unimpaired. The claim of this Class for unpaid rent and other obligations in the approximate amount of \$35,431.00, secured by a letter of credit (No. 77-507445-5) issued by First Republic Bank was paid in full prior to the confirmation date, with the approval of the Bankruptcy Court, by a draw down on the letter of credit. Nor further payments will be made to this Creditor under the Plan.

12.1.9 **Class 9 - First Republic Bank.**

This Class is unimpaired. The claim of this Class for reimbursement of all amounts paid by First Republic Bank to the San Diego County Regional Airport Authority pursuant to First Republic Bank's letter of credit (No 77-507445-5) was paid in full prior to the confirmation date, with the approval of the Bankruptcy Court, by exercise of an offset

against SeaPort's funds on deposit at First Republic Bank. No further payments will be made to this Creditor under the Plan.

**12.1.10 Class 10 - Shelby County Trustee, Memphis, Tennessee.**

The Allowed Secured Claim of this Class for unpaid 2013, 2014 and 2015 ad valorem taxes in the approximate amount of \$80,848.10, including penalty and interest, and including any amounts which would otherwise be priority claims under 11 USC Section 507(a)(8) but for their secured status, will be paid in equal monthly installments of principal plus interest at the rate provided for under applicable law, within five years of the Petition Date. Payments shall be due on the 15th day of each calendar month, commencing with February 15, 2017. Any unsecured, non-priority portion of the Claims within this Class shall be treated as general Unsecured Claims, to be paid as Class 23 Claims.

**12.1.11 Classes 11A-11I - Claims of the United States.**

- (a) **Class 11A - United States - Internal Revenue Service.**
- (b) **Class 11B - United States - Customs & Border Protection.**
- (c) **Class 11C - United States - Federal Aviation Administration.**
- (d) **Class 11D - United States - Federal Aviation Administration.**
- (e) **Class 11E - United States - Transportation Security Administration.**
- (f) **Class 11F - United States - Department of Transportation.**
- (g) **Class 11G - United States - Occupational Safety and Health Administration.**
- (h) **Class 11H - United States - Equal Employment Opportunity Commission.**

(i) **Class 11I - United States - Department of Agriculture.**

Creditors holding claims within Classes 11A-11I (excluding Class 11D) are unimpaired and not entitled to vote. Any priority amounts owed under Class 11A for unpaid withholding taxes or employer contributions were paid post-petition by the Debtor in the ordinary course of its business. The Secured and/or Allowed Priority Claims within Classes 11A-11I (excluding Class 11D) shall be paid in full in equal monthly installments of principal plus interest at the rate calculated in accordance with 11 USC Section 511, within five years of the Petition Date. Payments shall be due on the 15th day of each calendar month, commencing with February 15, 2017; provided however, that any Class holding an Allowed Priority Claim of \$4,000 or less will be paid as a Class 13 Claim (Administrative Priority Convenience Class).

**12.1.12 Class 11D - United States - Federal Aviation Administration.**

The contingent Secured Claim of the United States - FAA for possible payment of civil penalties for alleged regulatory violations (FAA case #2015NM090023), which for purposes of the Plan only, is estimated to be the amount of \$100,000, will be paid in equal monthly payments with interest at the applicable statutory rate over a 10 year period, with the first monthly payment due on February 15, 2017 and subsequent payments due on the same day of each calendar month thereafter, with the entire balance due and payable no later than February 15, 2027. If the actual penalty assessed by the FAA is less than the foregoing estimated amount, the monthly payments will continue to be made in the same amount until the Allowed Claim is paid in full. If the actual penalty assessed by the FAA is greater than the foregoing estimated amount, the monthly payments will be re-amortized starting with the second monthly payment due after entry of the final non-appealable assessment, such that the Allowed Secured Claim within this

Class will be paid in full by the originally scheduled payoff date of February 15, 2027. If the final non-appealable assessment exceeds the amount of \$321,468.00, all amounts above \$321,468 will be deemed unsecured to be paid as a Class 23 Claim.

**12.1.13 Class 12 - Wells Fargo Bank, N.A.**

This Class is unimpaired. Prior to confirmation, pursuant to stipulation between the Debtor and this Creditor, the automatic stay was lifted so this Creditor could proceed to enforce its state law remedies with respect to its collateral. Creditor is proceeding with foreclosure against the Juneau Hangar. No payments will be made to this Class. Any deficiency claim held by this Creditor after foreclosure will be treated as a general Unsecured Claim within Class 23.

**12.2 Priority Creditors.**

**12.2.1 Class 13 - Administrative Convenience Priority.**

The Allowed Priority Claims within this Class, consisting of allowed priority claims which are equal to or less than \$4,000.00, shall be paid in full, together with interest under applicable statutes, within 60 days of the Effective Date.

**12.2.2 Class 14 - State of Arkansas.**

The Allowed Priority Claim of the State of Arkansas, arising under 11 USC Section 507(a)(8) in the approximate amount of \$105,990.88 for unpaid ad valorem taxes, including penalties and interest will be paid in equal monthly installments of principal plus interest at the applicable statutory rate, within five years of the Petition Date. Payments shall be due on the 15th day of each calendar month, commencing with February 15, 2017. Any unsecured, non-priority portion of the Claims within this Class shall be treated as general Unsecured Claims, to be paid as Class 23 Claims.

**12.2.3 Class 15 - Oregon Department of Revenue.**

The Creditor within Class 15 is unimpaired and not entitled to vote. The Class 15 Allowed Priority Claim of the Oregon Department of Revenue for unpaid employee withholding taxes and associated payroll taxes, including workers' compensation, was fully paid or will be fully paid in the ordinary course of business post-petition. If any amounts remain owing to this Creditor as of the Effective Date, such amounts will be paid either as a Class 13 claim if applicable, or if the amount owed does not qualify for treatment under Class 13, then such claim shall be paid in equal monthly installments of principal plus interest at the applicable statutory rate, within five years of the Petition Date. Payments shall be due on the 15th day of each calendar month, commencing with February 15, 2017.

**12.2.4 Class 16 - City of Visalia.**

The Allowed Priority Claim of the City of Visalia, in the approximate amount of \$6,816.40 arising under 11 USC Section 507(a)(2) for alleged post-petition use of premises located at the City of Visalia airport. If allowed, Debtor will pay the Allowed Claim of this Class in equal monthly installments of principal plus interest at the applicable statutory rate, within five years of the Petition Date. Payments shall be due on the 15th day of each calendar month, commencing with February 15, 2017. Any unsecured, non-priority portion of the Claims within this Class shall be treated as general Unsecured Claims, to be paid as Class 23 Claims.

**12.2.5 Class 17 - Tennessee Department of Revenue.**

The Allowed Priority Claim of the Tennessee Department of Revenue arising under 11 USC Section 507(a)(8) in the approximate amount of \$13,837.53 for unpaid ad valorem taxes, including penalties and interest will be paid in equal monthly installments of principal plus interest at the applicable statutory rate, within five years of the Petition Date.

Payments shall be due on the 15th day of each calendar month, commencing with February 15, 2017. Any unsecured, non-priority portion of the Claims within this Class shall be treated as general Unsecured Claims, to be paid as Class 23 Claims.

**12.2.6 Class 18 - San Diego County Treasurer.**

The Allowed Priority Claim of San Diego County Treasurer arising under 11 USC Section 507(a)(8) in the approximate amount of \$8,475.05 for unpaid taxes, including penalties and interest will be paid in equal monthly installments of principal plus interest at the applicable statutory rate, within five years of the Petition Date. Payments shall be due on the 15th day of each calendar month, commencing with February 15, 2017. Any unsecured, non-priority portion of the Claims within this Class shall be treated as general Unsecured Claims, to be paid as Class 23 Claims.

**12.2.7 Class 19 - Sub Directo de Control de Ingresos por D.**

The Allowed Priority Claim of Sub Directo de Control de Ingresos por D in the approximate amount of \$8,446 for unpaid Mexican tourism taxes will be paid in equal monthly installments of principal plus interest at the applicable statutory rate, within five years of the Petition Date. Payments shall be due on February 15, 2017 of each calendar month, commencing with February 15, 2017. Any unsecured, non-priority portion of the Claims within this Class shall be treated as general Unsecured Claims, to be paid as Class 23 Claims.

**12.2.8 Class 20 - Distressed Passenger Reimbursement.**

This Class is unimpaired. The total of the Allowed Priority Claims within this Class of approximately \$5,422 have been paid in full in the ordinary course of Debtor's business subsequent to the petition date. To the extent any such claim has not previously been paid in full, Debtor will pay such claim in the ordinary course of its business.

### 12.2.9 **Class 21 - Employees.**

The Allowed Claims within Class 21 will be paid as follows:

(a) The Allowed Priority Claims of current employees were previously paid in the ordinary course of Debtor's business, or will be paid in the ordinary course of Debtor's business. To the extent that any employees hold nonpriority claims for vacation, such nonpriority claims will be paid, subsequent to the one year anniversary of the Effective Date, by allowing the employee to take paid vacation in the ordinary course of business.

(b) The Allowed Priority Claims of any person who is not an employee of the Debtor as of the Effective Date shall be paid as a Class 13 claim if applicable. The holder of such claim may elect to "opt in" to treatment as a Class 13 claim by reducing the holder's claim to a claim not to exceed \$4,000.00. If not treated as a Class 13 claim, then such priority claims within this Class will be paid in two equal annual installments with the first installment due on the one year anniversary of the Effective Date.

### 12.3 **Unsecured Creditors.**

#### 12.3.1 **Class 22 - Administrative Convenience Class.**

Class 22 consists of Allowed Unsecured Claims which are equal to or less than \$200.00. Each holder of a claim in this Class shall receive cash in an amount equal to 80 percent of such claim, without interest, within 30 days following the Effective Date. Any Creditor holding a claim in excess of \$200 may "opt in" to Class 22 by marking a special "opt in" election on the ballot for voting for or against the Plan. Creditors holding claims in excess of \$200 who elect to "opt-in" to Class 22 shall agree to reduce their claims to \$200 and to consent to the treatment of their reduced claim as called for within Class 22.

### 12.3.2 **Class 23 - General Unsecured Claims.**

Within 10 days of the Effective Date, the Debtor shall execute a promissory note payable to the "CD Agent" in the form attached to Debtor's Plan marked **Exhibit B - Class 23 Promissory Note** (the "Class 23 Promissory Note"). The principal amount of the Class 23 Promissory Note shall be the sum of \$225,000.00. The Class 23 Promissory Note will bear interest on the principal from the Petition Date at the Federal Rate in effect on the Effective Date. The Class 23 Promissory Note shall be due and payable in full no later than five years following the Effective Date. The CD Agent shall be Kenneth S. Eiler (an Oregon Bankruptcy Trustee) unless the Unsecured Creditors Committee nominates a different CD Agent. The CD Agent shall make Pro Rata payments to the Class 23 Creditors, from the funds paid to the CD Agent by the Debtor.

The Debtor will pay the Class 23 Promissory Note in equal quarterly installments of principal and interest, commencing on the second anniversary of the Effective Date.

From the scheduled payments received by the CD Agent from the Debtor, commencing with the second calendar quarter following the second anniversary of the Effective Date, the CD Agent will make quarterly payments on a Pro rata basis to the holders of Allowed Claims within Class 23, based on the balance owing on the Allowed Claim on the Effective Date, after reducing each Claim for any payments received post-petition on such Claim from the Debtor or any third party.

In addition to the forgoing scheduled payments, Debtor will pay to the CD Agent, for the benefit of Class 23, a royalty payment of 10% of the Debtor's Net Profit shown on its annual federal income tax return for three years starting with fiscal year 2018, which ends 3/31/2109. The three annual payments will be made by June 30 of the same

calendar year as the applicable fiscal year, with the first annual royalty payment to be due June 30, 2019, followed by annual payments on June 30, 2020 and June 30, 2021. Based on the projections shown in **Exhibit 10** to the Disclosure statement, Debtor projects that the royalty payments will add an additional estimated amount of \$386,937 to the distribution to Class 23 under the Plan, raising the total distribution to Class 23 to an estimated amount of \$611,937.00.

**12.3.3 Class 24 - Robert McKinney.**

This Class is unimpaired. Under a settlement expected to be approved by the Court prior to the confirmation hearing, this Creditor has released any and all claims within this Class and accordingly will be paid nothing under the Plan, except this Creditor retains the right to file a Class 23 Claim in the amount of \$5,885.55.

**12.3.4 Class 25 - Aircraft Crash Claims.**

Creditors within this Class shall be free to pursue any action necessary to reduce their claims to settlement and/or judgment for purposes of collecting the claim amount from Debtor's liability insurance carrier(s). Debtor reserves the right to fully defend such claims in the applicable forum. All claims within this Class shall be paid by Debtor's applicable liability insurance carrier(s). To the extent claims within this Class exceed policy limits, any excess claims would be treated as Class 23 Claims.

**12.3.5 Class 26 - Nancy Botts.**

The Creditor within this Class shall be free to pursue any action necessary to reduce the claims to settlement and/or judgment for purposes of collecting the claim amount from Debtor's liability insurance carrier(s). Debtor retains the right to fully defend the claim in the applicable forum. The claim within this Class shall be paid by Debtor's

applicable liability insurance carrier(s). To the extent the claim within this Class exceeds policy limits, any excess claim would be treated as a Class 23 Claim.

**12.3.6 Class 27 - Cathey Tutwiler.**

The Creditor within this Class shall be free to pursue any action necessary to reduce the claims to settlement and/or judgment for purposes of collecting the claim amount from Debtor's liability insurance carrier(s). Debtor reserves the right to fully defend the claim in the applicable forum. The claim within this Class shall be paid by Debtor's applicable liability insurance carrier(s). To the extent the claim within this Class exceeds policy limits, any excess claim would be treated as a Class 23 Claim.

**12.3.7 Class 28 - Fountain Village Development, LLC, John Beardsley and/or Janet Beardsley.**

Pursuant to the agreement of this Class, payment of the Claims within this Class shall be subordinated to the payment due to Class 23. No payment shall be made to this Class until the payments to Class 23 have been paid in full. This Class shall be paid the fixed amount of 10% of its allowed Unsecured Claim with interest at the Federal Rate in full and final satisfaction of the claim, payable in a lump sum on the date which is the six-year anniversary of the Effective Date of the Plan.

**12.4 Unclassified Creditors - Equity Holders.**

The interests of all Equity Holders in the Debtor including, but not limited to, all holders of common and preferred stock of the Debtor as identified on **Exhibit 1** to the Disclosure Statement, shall be deemed extinguished without further action by the Debtor upon the Effective date; provided, however, that Equity Holders will have the opportunity to purchase stock in the Reorganized Debtor as set forth in Section 7.1 of the Plan.

## **12.5 Administrative Claims.**

### **12.5.1 Administrative Claims of Non-Professionals.**

Each holder of an Allowed Administrative Claim that has not been previously paid will be paid on the Effective Date or as soon thereafter as is practicable after such Administrative Claim becomes an Allowed Administrative Claim the full amount of such Allowed Administrative Claim in cash or on such terms as agreed to by the holder of the Administrative Claim, provided, however, that any Administrative Claim that is an Ordinary Course Administrative Claim may be paid in accordance with the ordinary business terms, in accordance with the agreement giving rise to the Claim or, in the case of a Claim asserted by a governmental unit, in accordance with applicable law. Debtor believes its Debtor-in-Possession lender (Fountain Village Development, LLC) will agree to be paid in the fifth year of the Plan (February 2021) which should allow Debtor to make the scheduled payments called for in Debtor's Plan. If Fountain Village Development, LLC defers payment of its Administrative Claim, Debtor will grant Fountain Village Development, LLC a security interest in Debtor's assets on the same terms and conditions as granted to the holders of Professional Administrative Claims who defer payment of those claims.

### **12.5.2 Professional Administrative Claims**

Each provider of professional services to the Debtor or the Creditors Committee seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date pursuant to Sections 330, 331 and 503(b)(2) of the Bankruptcy Code shall (i) file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses incurred through the Effective Date by the date that is no later than thirty (45) days after the Effective Date or such other date fixed by the Bankruptcy

Court and (ii) if granted a Professional Administrative Claim by the Bankruptcy Court, shall be paid in cash in such amounts as are allowed by the Bankruptcy Court within fourteen (14) days from the date of allowance, first from any retainer held by the Professional, and then by the Debtor, unless the respective Professional agrees to a different payment schedule.

Each holder of a Professional Administrative Claim which defers payment of its Professional Administrative Claim shall receive interest at the Prime Rate in effect on the Effective Date from the Effective Date on unpaid amounts. Subject only to the occurrence of the Effective Date, Debtor hereby grants and conveys to each Holder of a Professional Administrative claim who defers payment of such claim beyond 14 days, a security interest, to secure payment of the allowed Professional Administrative Claim, in all of Debtor's of Debtor's Assets, including but not limited to the following: promissory notes, vehicles, accounts, deposits, cash, general intangibles, contract rights, equipment, goods, inventory, instruments, documents of title, policies and certificates of insurance, proceeds of insurance policies, commercial tort claims, payment intangibles, all amounts owed to Debtor under the EAS Program, securities, chattel paper, personal property, real property, rents, aircraft parts; supplies, intellectual property ("IP"), trademarks, trade names, websites, and all products and proceeds of the foregoing, now owned or hereafter acquired. A security interest granted to a Professional Administrative Claimant shall not improve the Professional Administrative Claimant's priority position as to existing liens or security interests. Rather, with respect to existing liens the Professional Administrative Claimant's lien shall have the same priority, if any, as to Debtor's Assets as the Professional Administrative Claimant currently has under 11 USC Section 507(a). The rights of all holders of liens against Debtor's Assets and the Professional Administrative

Claimants shall be preserved and reserved with respect to any future dispute as to the priority of the lien granted to any Professional Administrative Claimant. Debtor shall execute any documents requested by the holder of the Professional Administrative Claim to perfect the security interest granted herein, against both personal property and real property. Debtor believes Debtor's general counsel (Vanden Bos & Chapman, LLP) will agree to be paid a portion of its fees on a schedule post-confirmation which should allow Debtor to make the scheduled payments called for in Debtor's Plan. Debtor expects to request installment payment arrangements from other Professional Administrative Claimants, as necessary to facilitate Debtor's ability to perform Debtor's Plan. Notice of the terms of any proposed installment payment schedule will be disclosed to the Court in the final fee application of any professional who will be paid on an installment basis, or disclosed at the time of hearing to consider approval of such fee applications.

### **13. ADMINISTRATIVE EXPENSES**

All allowed Administrative Claims which are entitled to priority pursuant to Section 503 of the Code shall be paid in full, unless otherwise agreed in writing, by the holder of such Claim or ordered by the Court, on or before the Effective Date of the Plan, or within ten days of entry of a Court order approving an application for allowance of an Administrative Claim, whichever is the later. Any party who asserts an Administrative Claim against the Debtor shall file such Claim within sixty (60) days of the Effective Date or the right to such Claim shall be barred. Debtor believes its Debtor-in-Possession lender (Fountain Village Development, LLC) will agree to be paid in the fifth year of the Plan (February 2021) which should allow Debtor to make the scheduled payments called for in Debtor's Plan.

Each holder of an Administrative Claim who is amenable to deferring payment of its Administrative Claim shall receive interest at 3.25% per annum from the Effective Date on unpaid amounts and shall be granted a security interest, to secure payment of the allowed Administrative Claim, in all of Debtor's Assets, including promissory notes, vehicles, accounts, general intangibles, contract rights, equipment, goods, inventory, instruments, documents of title, policies and certificates of insurance, proceeds of insurance policies, commercial tort claims, payment intangibles, securities, chattel paper, deposits, cash, personal property, real property, and products, rents, and proceeds of the foregoing, now owned or hereafter acquired. A security interest granted to an administrative claimant shall be subordinate to existing perfected liens or perfected security interests. The rights of all holders of liens against Debtor's Assets and the administrative claimants shall be preserved and reserved with respect to any future dispute as to the priority of the lien granted to any administrative claimant. Debtor shall execute any documents requested by the holder of the Administrative Claim to perfect the security interest granted herein, against both personal property and real property. Debtor expects the following holder of an Administrative Claim will be paid in monthly installments after confirmation of the Plan: Vanden Bos & Chapman, LLP for approved but unpaid professional fees for services rendered to the Debtor in connection with the bankruptcy case.

## **14. FEASIBILITY**

### **14.1 Overview.**

The Debtor's projections for income and expenses during the life of the Plan, and the assumptions underlying those projections are attached to the Disclosure Statement as **Exhibit 10 - Debtor's Income and Expenses and Projected Plan Payments**. The projections show that Debtor should be able to make the payments provided for in the

Plan. The cash balance Debtor carries on a monthly basis in Debtor's budget projections is an amount Debtor believes is reasonably prudent to maintain as working capital and to meet payments as they become due under the Plan. The Debtor's Plan will involve the use of earnings, liquidation of select Assets, and collection of notes receivable, and "new value" contributions made by existing equity holders.

## **14.2 Business Plan.**

With assistance from Debtor's consultant Embark Aviation Corp., the Debtor has completed a new business plan (the "Business Plan") with projections through 2021. The projections demonstrate that the Debtor will be profitable in 2018 and capable of performing its obligations under the Plan.

### **14.2.1 Summary of Growth Under the Plan.**

The Debtor presently operates a fleet of five Cessna Caravan aircraft, each seating 9-passengers, to serve a total seven destinations.

All of its present service is subsidized under the Essential Air Service ("EAS") program that is administered by the United States Department of Transportation ("USDOT"). While participation in this program mitigates significant financial risk to the Debtor, it also (1) limits profit potential due to the competitive bidding process and (2) creates cash management challenges as a result of an overwhelming percentage of revenues being received on a single day each month.

Over the life of the Business Plan, the Debtor anticipates gradually expanding to a fleet of 13 Cessna Caravans that will serve a total of 17 destinations. Nearly all of the new growth will be in markets which are not supported by the EAS program and, as such, the Debtor anticipates less cash management issues going forward.

#### **14.2.2 Overview of Business Strategy.**

The Business Plan was developed with input from Embark Aviation Corp. following a critical analysis of Debtor's past operational and financial performance. From this analysis, the Business Plan was developed with a focus on three primary areas:

**(a) Develop a network strategy that supports fundamentals of**

**Cessna Caravan flying.** SeaPort's network will include its existing routes that are supported by Essential Air Service (EAS) program subsidies and grow to include unsubsidized routes predominately of less than 150 miles where competition from automobiles is impeded by lack of Interstate highway and/or topographical barriers (i.e., water, mountains, borders, etc.).

**(b) Product development to support higher average fares.** The Business Plan focuses on providing high-quality service that will allow Debtor to achieve higher average fares than it in the past and to build loyalty among its customers. The primary expectation of customers on short-haul routes such as those served by SeaPort is a high level of schedule reliability and baggage arriving on the same flight. To this end, the Debtor has made significant changes to its business processes and operational structure to focus on completion factor and on-time performance. During the reorganization period, these two metrics that have substantially improved. To illustrate this point, during June 2016, SeaPort completed 98.9% of all scheduled flights and 90.2% of those flights arrived within five minutes of published schedule.

Through the work of an employee committee, the Debtor has developed and is beginning to implement enhancements to the customer experience including a focus on aircraft cleanliness, light snacks at smaller airport terminals during flight delays, access to priority security screening checkpoints, and customer service skills training for frontline employees, including pilots.

The operational improvements and product enhancements will be supported by a marketing strategy to focuses on digital advertising in large metropolitan markets and community engagement (i.e., supporting local events) in smaller markets. In addition, the Debtor will develop a sales program that targets corporate travelers and focuses on interline connections to/from distant points with other airlines.

(c) **Concentrate growth in Pacific Northwest.** While the Debtor intends to continue serving its portfolio of EAS contracts from its Memphis base, and possibly seek additional similar contracts in that region, the Business Plan primarily involves on scaling to profitability in the Pacific Northwest.

This growth strategy will facilitate the best possible economies of scale and revenue from the existing operational and asset base and afford the best opportunities to (i) serve markets that do not currently have nonstop service and, as a result, maximize potential revenue and (ii) feed connection traffic to existing interline partners at

Portland International Airport ("PDX") and Seattle-Tacoma International Airport ("SEA").

#### **14.2.3 Expense Projections.**

Projections of expenses for the Debtor's Business Plan were calculated based on historical data and incorporating cost reductions and organizational redesign achieved during the restructuring period. In total, the Debtor estimates that it has achieved a 15-17% unit cost reduction (excluding fuel expenses) which provide it with a competitive cost structure going forward. As the Business Plan contemplates growth from its existing operational bases, the Debtor does not expect to incur meaningful new overhead expense in executing the Business Plan.

#### **14.2.4 Revenue Projections.**

In those markets presently operated by the Debtor, it is assumed that revenue will grow at an annual rate of 1.5% with current traffic levels serving as the projection baseline. This increase may be in form of higher fares or increased passenger traffic, or a combination of both.

Projections of traffic and resultant revenue in each new market were developed based upon inaccessibility, raw market size and relative service levels, and then calibrated to other markets in the Pacific Northwest that have quality service and reliable historical data sets. Each market is projected to mature over a 24-month period from first flight and, thereafter, achieve 1.5% annual growth.

As opportunities present themselves, the Debtor may leverage its existing operational platform to offer charter flights to private groups and pursue additional EAS contracts.

#### **14.2.5 Pilot Shortage.**

A major factor determining the Debtor's ability to successfully execute its business plan will be its ability to maintain adequate pilot staffing levels. As outlined in the Debtor's history, the primary reason for it seeking protection was the impact of a national pilot shortage in the United States. While the national pilot shortage remains a challenge, the Debtor has made substantial changes to its operations during restructuring that will allow it to better manage the shortage that is forecast to persist throughout the industry for the next 7-10 years. This includes (i) increased resources for new pilot recruitment, (ii) better use of existing training resources to improve efficiency and effectiveness, and (iii) an overall emphasis on employee engagement and relations.

#### **14.2.6 Profitability Projections.**

On the basis of the modeling outlined above, the Debtor believes its Business Plan points to sustained profitability beginning in 2018 and projected through 2021. Based on these projections, the Debtor believes it will have access to sufficient funds to make the payments to creditors as proposed in its Plan and described in this Disclosure Statement, and as outlined in **Exhibit 10** to the Disclosure Statement.

### **15. IMPLEMENTATION**

#### **15.1 Sale of Interests in the Reorganized Debtor.**

All Creditors, Administrative Claimants and Equity Holders have the opportunity to purchase shares in Reorganized Debtor in \$20,000 increments; provided that the offering will be limited to 150 such increments and will be available on a first come, first serve basis. Administrative Claimants may "credit bid" for such shares by cancellation of an applicable amount of such Administrative Claimant's Allowed Claim in exchange for shares in the Reorganized Debtor. The Reorganized Debtor will issue up to 1,500,000 shares on

account of such offering with a sale price of \$2.00 per share (each increment equivalent to a 1/150th of an interest in the Reorganized Debtor). Debtor's offer to sell shares may be accepted by an eligible purchaser by executing and delivering to the Debtor, on or before the date of the Confirmation Hearing, a Subscription Agreement in a form substantially similar to the Subscription Agreement attached to the Plan as **Exhibit C - Subscription for Purchase of Shares of Reorganized Debtor**.

#### **15.2 Termination of Debtor-in-Possession.**

On the Confirmation Date, the Debtor's status as Debtor-in-Possession shall terminate, and the Debtor shall continue to operate its business in the ordinary course and is authorized to engage in any business activities and transactions as permitted by applicable law, unless specifically prohibited in the Plan.

#### **15.3 Effective Date.**

The Effective Date of the Plan means the fifteenth day after the date on which the order confirming the Plan is entered by the Clerk of the Bankruptcy Court, provided there is no stay of such order then in effect; or if a stay is then in effect, then the date on which the order confirming the Plan becomes a Final Order.

#### **15.4 Revesting.**

On the Effective Date the Debtor shall be vested with all of Debtor's property, and all property of the bankruptcy estate, free and clear of all claims, liens, charges or other interests of Creditors arising prior to the entry of the order confirming the Plan except for liens upon property securing Claims provided for in the Plan. Except as otherwise provided in the Plan, the Debtor may transact business and conduct Debtor's affairs free of any restriction of the Court following confirmation of the Plan. The property of the Debtor and/or the property of the bankruptcy estate which will vest in the Debtor on the Effective

Date includes but is not limited to Debtor's respective tax attributes, including but not limited to ordinary loss carry forwards and capital loss carry forwards as defined and allowed under the Internal Revenue Code and the laws of the State of Oregon that the Debtor or the bankruptcy estate were entitled to claim pre-petition, or that arose post-petition.

#### **15.5 Funding for Plan Payments.**

In brief, Debtor proposes to fund its future operations and the payments called for by the Plan from Debtor's post-petition operating revenues and from the sale of securities in the Reorganized Debtor as outlined in Section 7.1 of the Plan.

The Debtor currently operates a fleet of five aircraft to seven destinations from bases at Portland International Airport ("PDX") and Memphis International Airport. Over the life of the Plan, the Debtor plans to gradually expand from the Portland base and focus on connecting passengers to long-haul flights at the Portland International Airport and the Seattle-Tacoma International Airport. By the conclusion of the Plan, the Debtor's operations are projected to include a fleet of 13 aircraft that serve 17 destinations.

The Debtor's operating cash flow projections for Debtor's intended future operations are shown on **Exhibit 10 - Debtor's Income and Expenses and Projected Plan Payments** to the Disclosure Statement, which shows that the Debtor should be able to make the payments projected in the Plan. Included in **Exhibit 10 - Debtor's Income and Expenses and Projected Plan Payments** of the Disclosure Statement is the detailed list of the assumptions underlying the projections. The cash balance Debtor carries on a monthly basis in Debtor's budget projections is an amount Debtor believes is reasonably prudent to maintain as working capital and to meet payments as they become due under the Plan.

## 15.6 Compensation and Benefit Programs

All employment and severance practices and policies, employment agreements or understandings, all compensation and benefit plans, policies, and programs of any Debtor applicable to its directors, officers, managers and employees who served as directors, officers, managers and/or employees before or after the Petition Dates, if any, including, without limitation, all savings plans, retirement plans, health care plans, severance benefit plans, incentive plans, workers' compensation programs and life, disability and other insurance plans, are treated as executory contracts under the Plan and are assumed pursuant to Article 8 of the Plan as of the Effective Date pursuant to Sections 365 and 1123(b)(2) of the Bankruptcy Code.

**15.7 Collection and Disbursing Agent.** The Plan provides for the appointment of a Collection and Disbursing Agent (the "CD Agent"). The CD Agent shall serve until all payments pursuant to the Plan have been made in respect to Class 23 (general unsecured Class), at which time the CD Agent shall be discharged of all rights and duties. If the Continuing Committee declines to appoint a CD Agent, or if a CD Agent once appointed resigns and is not replaced, the Debtor will appoint a disinterested CD Agent. Any Panel Trustee shall be deemed reasonably acceptable so long as disinterested. Unless the Creditors Committee nominates a different CD Agent prior to the Disclosure Statement Hearing, the initial CD Agent shall be Kenneth S. Eiler, who shall continue to serve as the CD Agent unless replaced by the Continuing Committee. If the Continuing Committee disbands or otherwise ceases to function, the Debtor shall have and can exercise all of the powers delegated to or held by the Continuing Committee under the Plan with respect to the CD Agent.

The CD Agent shall have the following rights:

- (a) Unless the CD Agent otherwise agrees, to be paid not less than 1.5 percent of the total amount disbursed to the Class 23 creditors (excluding any disbursements to the CD Agent or for costs or expenses of the CD Agent or Continuing Committee) by the CD Agent without further order or approval of the Bankruptcy Court. Such payment shall be made at the same time that disbursements are made to creditors. In addition to its fee, the CD Agent shall be reimbursed any attorneys' fees or other costs which it may incur for performance of its duties.
- (b) To employ such attorneys, accountants or other professionals as deemed appropriate and to pay such attorneys, accountants or other professionals upon 10 days prior notice to Debtor and the Continuing Committee.
- (c) To rely upon any instruction made by the Continuing Committee.
- (d) To refer issues to the Court. If a controversy arises between members of the Continuing Committee or between or among Debtor, the Continuing Committee and the CD Agent, the CD Agent may, in its sole discretion, withhold any performance required of it and seek direction from the Court.
- (e) To object to Class 23 claims and to settle or compromise Class 23 Claims after prior notice to and consultation with the Continuing Committee,
- (f) If requested by the Continuing Committee, to file and prosecute Avoidance Claims.
- (g) To resign.

(h) To collect the payments due from the Debtor on the Class 23 Promissory Note and to exercise all rights as the Holder of such Note in the event of default on the Class 23 Promissory Note.

(i) To collect all amounts due from any Affiliate under the Plan, including the amounts due for any Equity Infusion or "New Value" contribution.

The CD Agent shall have the following duties:

(a) To collect all Proceeds and all net payments or proceeds from all assets (after payment of costs and fees incurred in collecting or disposing of such assets) which were transferred to or otherwise to be paid to Class 23 pursuant to the Plan and to hold all proceeds in trust for the benefit of the Class 23 Creditors.

Deposit accounts may be maintained only in institutions designated by the Clerk of the Court as authorized depositories.

(b) To make the periodic payments to the 23 Creditors at the times specified in the Plan from Available Cash.

(c) To account to the Continuing Committee and Debtor for all sums received and disbursed.

(d) To post a bond with a coverage amount of 125% of the funds which are to be held by the CD Agent at any one time.

(e) To consult with the Continuing Committee and Debtor with respect to objections to the Class 23 Claims and pursuit of Avoidance Claims, if any.

**15.8 Continuing Committee.** The Official Unsecured Creditors' Committee (the "Creditors' Committee") shall continue in existence following confirmation of the Plan to be known as the "Continuing Committee." The Continuing Committee shall retain only the following rights and powers after confirmation:

(a) The Continuing Committee shall have the authority to appoint and remove the CD Agent and to negotiate and set the compensation of the CD Agent, which compensation shall not exceed the compensation allowable for a Chapter 7 Trustee under the Code. The compensation terms shall be disclosed at or prior to the confirmation hearing and be subject to Bankruptcy Court approval in the Confirmation Order.

(b) The Continuing Committee shall have authority to assign any and/or all of the Committee's powers and duties to the CD Agent as the Continuing Committee deems appropriate.

(c) The Continuing Committee shall have the right to consult with the CD agent with respect to the pursuit and settlement of avoidance actions;

(d) The Continuing Committee members shall have authority to appoint additional members. If the Continuing Committee ceases to exist, the rights, powers and duties of the Continuing Committee shall vest in the CD Agent.

(e) The right to review, file objections, and be heard with respect to the application of any Professional for payment of professional fees incurred in connection with the representation of any Professional in the case.

#### **15.9 Retention of Avoidance Claims.**

Avoidance Claims, if any, are retained. Any holder of a Claim against the Debtor shall automatically have such Claim disallowed without further action by the Debtor or order of this Court if the holder of a Claim fails to repay the Debtor any sum that may be recoverable by the Debtor under Bankruptcy Code Sections 522(f), 522(h), 542, 543, 544, 545, 547, 548, 549, 550 or 724(a) within ten days of a final judgment in the Debtor's favor against such Claim holder, unless such Creditor has posted a supersedeas bond for the

entire amount of the Debtor's judgment. Recoveries on avoidance claims shall be retained by the Debtor to be utilized by the Debtor in the exercise of Debtor's business judgment, for payment of obligations due under the Plan or for payment of expenses incurred in the ordinary course of Debtor's business after the Effective Date. Prior to the Effective Date, the Unsecured Creditors Committee had the authority to investigate and pursue preference claims against insiders. After the Effective Date, the CD Agent shall have the authority to pursue avoidance claims against insiders on behalf of the bankruptcy estate.

#### **15.10 Retention of Third-Party Claims.**

Except as provided in, and unless expressly waived, relinquished, exculpated, released, compromised or settled in the Plan, the Confirmation Order or other Order of the Bankruptcy Court, the Debtor shall exclusively retain and may prosecute and enforce, and the Plan expressly reserves and preserves for these purposes, in accordance with Sections 1123(a)(5)(B) and 1123(b)(3) of the Bankruptcy Code, any claims, demands, rights and causes of action, including the Causes of Action, that any Debtor or its Estate may hold against any Person and (b) accordingly, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise), claim splitting or laches shall apply thereto by virtue of or in connection with the confirmation, consummation or effectiveness of the Plan. After the Effective Date, except as otherwise provided in the Plan, the Debtor may pursue, release, abandon, settle or otherwise resolve any and all claims, demands, rights and causes of action, including the Causes of Action, other than those causes of action assigned to the CD Agent.

#### **15.11 Fees Payable Under 28 USC Section 1930.**

All fees payable under 28 USC Section 1930, as determined by the Court, shall be paid on or before the Effective Date. All post-petition fees payable under 28 USC Section 1930 shall be paid when due. Debtor shall be responsible for timely payment of fees incurred pursuant to 28 USC Section 1930(a)(6) until the case is closed, converted, or dismissed. After confirmation, the Debtor shall file with the Court any monthly financial report as may be required under applicable law or Court rules, for each month, or portion thereof, that the case remains open. The monthly financial report shall include a statement of all disbursements made during the course of the month, whether or not pursuant to the Plan.

#### **15.12 Asset Sales**

The chart below depicts assets sold or otherwise released and/or disposed of by the Debtor after the Petition Date but prior to the confirmation hearing:

<b>CREDITOR'S NAME</b>	<b>PAYMENTS MADE BY DEBTOR</b>
Wells Fargo, N.A.	Stay lifted to foreclose on Juneau Hangar
San Diego Regional Airport Authority	Paid \$35,431 from draft on First Republic Bank letter of credit
First Republic Bank	Paid \$35,431 by debit to Debtor's funds on deposit to reimburse for amounts paid out on letter of credit
United States of America	Paid \$470,879 from EAS payment due February 2016
Multnomah County	Paid \$35,481.98 from lien on aircraft parts sold
Wings Airline Services, Inc.	Paid \$90,000 Mortgage - Gordon Creek Property Sale
Multnomah County	Paid \$9,817* - Real Property Tax lien - paid at closing of sale of Gordon Creek Property

#### **15.13 Payment of Professional Fees and Expenses After the Effective Date.**

Any professional person performing services for the Debtor after the Effective Date

can and shall be paid by the Debtor for services provided in the ordinary course of business without necessity of Court approval.

**15.14 Prepayment.** Debtor may prepay any amounts due to any Creditor or Class of Creditors prior to the due dates set in the Plan without penalty and without prior notice or Court approval, so long as such prepayment does not jeopardize Debtor's obligation to make the other payments when due under the Plan.

**15.15 No Attorney Fees.**

No attorneys fees shall be paid with respect to any Claim except as specified in the Plan or allowed by a Final Order of Bankruptcy Court.

**15.16 No Interest.**

Except as expressly stated in the Plan or otherwise allowed by the Bankruptcy Court, no interest, penalty or late charge arising after the Petition Date shall be allowed on any Claim, and the Debtor shall be entitled to offset the distribution to any Creditor who has received payment for post-petition, interest, penalties or late charges not approved by the Court.

**ARTICLE 16. – LEASES AND EXECUTORY CONTRACTS**

**16.1 Leases and Executory Contracts Assumed.**

Effective on and as of the Effective Date, each executory contract and unexpired lease that exists between Debtor and any other party, with respect to which the Debtor has filed a motion in this case for authority to assume and/or that is listed on **Exhibit D - Leases and Executory Contracts - Assumed** attached to the Plan, is expressly assumed, except for any executory contracts and unexpired leases that have been rejected by the Debtor with the approval of the Court on or before the Effective Date or with respect to which a motion for rejection has been filed on or before the Confirmation Date. Entry of

the Confirmation Order shall constitute approval of the assumption and assignment of executory contracts and unexpired leases as provided in the Plan. The amount of arrears for each respective lease/executory contract assumed is shown on **Exhibit D** to the Plan. The Debtor will cure the arrears for each Creditor in accordance with the Cure schedule applicable to each respective Creditor as shown in Part II of **Exhibit D** attached to the Plan.

#### **16.2 Leases and Executory Contracts Rejected.**

Without admitting the existence of, or validity of, any other executory contract or unexpired lease, all executory contracts or unexpired leases with respect to which Debtor has not filed a motion seeking authority to assume or which are not expressly assumed in the Plan shall be rejected on the Effective Date. Without limitation, Debtor rejects the executory contracts and leases listed as rejected on Plan **Exhibit E - Leases and Executory Contracts - Rejected**. On the Effective Date, Creditors/Lessors holding pre-petition deposits to secure payment of Debtor's obligations under the rejected contracts/leases are free to apply such deposits to the amounts owed. Claims for damages arising by reason of the rejection of any executory contract or unexpired lease will be disallowed and the holder thereof barred from receiving distributions under the Plan unless a Proof of Claim for such damages on account of rejection is filed with the Court within thirty days after the Effective Date. Any Claims based upon rejection of a lease for real property shall be limited to the amount set forth in 11 USC Section 502(b)(6). All Lease Rejection Claims shall be general Unsecured Claims.

### **17. RISKS**

Risks to successful performance of the Plan include the risk of a continued pilot

shortage, cancellation of the EAS subsidy for the Pendleton route, and the general risks posed in the operation of a commercial airline service.

There is a risk the city of Pendleton will lose its eligibility for air service subsidies under the EAS program because of an action taken by the Department of Transportation to disqualify Pendleton from future EAS subsidies. The Debtor and the city of Pendleton are contesting the proposed action, but there is no guarantee that the subsidies will continue. If the subsidies are discontinued, Debtor may have to terminate service to Pendleton with the resultant loss of revenue.

The Debtor's revenue streams are at risk to disruption due to weather including convective storms, snow, ice, and fog. Such activity, particularly snow and ice, can ground all flights at a community for multiple days. The Debtor's operations are also subject to delays caused by factors beyond its control, including air traffic congestion at airports and increased security measures. Such delays frustrate passengers, reduce aircraft utilization and increase costs, all of which may negatively affect the Debtor's financial results.

There is a risk that fuel prices will increase, which would result in significantly higher cost for Debtor and adversely affect Debtor's ability to generate the projected profits. The Debtor currently purchases all of its fuel on the spot market and does not purchase any fuel hedging contracts nor does it have any plans to do so in the future.

The airline industry is subject to extensive regulatory and legal requirements that involve significant compliance costs that result in increased costs for passengers and the Debtor. The FAA, DOT and TSA periodically propose additional laws, regulations, taxes and airport rates and charges. Such measures could have the effect of raising ticket prices, reducing revenue, increasing costs, or reducing demand for air travel. The Debtor expects to continue incurring expenses to comply with existing and future regulations.

Moreover, if the Debtor fails to comply with applicable regulations, it may be subject to sanctions, including warning letters, fines, injunctions, criminal prosecution, and/or orders relating to grounding of aircraft, inspection of aircraft, installation of new safety-related items, and removal and replacement of certain aircraft parts.

Debtor's systems operations control center, which oversee daily flight operations, and its website, which is the portal for most sales, are dependent on a number of technology systems to operate effectively. Although Debtor has taken steps to provide for adequate security to protect its technology systems, Debtor's technology systems, like all technology systems, are subject to the risk of interruption due to events beyond management's control, including natural disasters, terrorist attacks, computer viruses and hackers. In addition, large-scale interruption in technology on which SeaPort depends, such as power, telecommunications or the Internet, could also disrupt operations.

## **18. TAX CONSEQUENCES TO DEBTOR**

A summary description of certain material federal income tax consequences of the plan is provided below. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan and no tax opinion is given by this Disclosure Statement. No rulings or determination letters from the Internal Revenue Service ("IRS") or any other authorities have been obtained or sought with respect to the Plan, and the description below is not binding upon the IRS or other such tax authorities.

The following discussion of federal income tax consequences is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), regulations promulgated thereunder, judicial decisions, and published administrative rulings and pronouncements of the IRS as in effect on the date hereof. Legislative, judicial, or administrative changes or

interpretations enacted or promulgated in the future could alter or modify the analyses and conclusions set forth below.

This discussion does not address foreign, state, or local tax consequences of the Plan, nor does it purport to address the federal income tax consequences of the Plan to special classes of taxpayers (such as foreign entities, nonresident investment companies, regulated investment companies, broker-dealers, and tax exempt organizations). Furthermore, estate and gift tax issues are not addressed herein.

Under U.S. federal income tax law, a corporation is generally permitted to deduct from taxable income net operating losses ("NOLs") carried forward from certain prior years. SeaPort had NOLs of approximately \$3.6 million as of March 31, 2016. As a result of reductions in the Debtor's liabilities which will occur upon the last day of the fiscal year in which Debtor obtains entry of the bankruptcy discharge, certain gains will be recognized that may reduce the value of NOLs to approximately \$660,000.

SeaPort's ability to deduct NOLs could be subject to a significant limitation if it were to undergo an "ownership change" as defined in IRC Section 382. The Debtor has concluded that the proposed treatment of equity and/or issuance of new equity as proposed under the Plan will not result in an ownership change. An IRC Section 382 limitation could nevertheless arise if, at some point in the future, 50% of the new equity is subsequently transferred to an unaffiliated entity(ies).

IRS Circular 230 Legend: To comply with U.S. Treasury regulations, Debtor advises that any U.S. federal tax advice included this communication (1) is not intended or written to be used, and cannot be used, to avoid any U.S. federal tax penalty and (2) was to support the promotion or marketing of the transaction or matter addressed by this

communication. Any taxpayer receiving this communication should seek advice from an independent tax advisor based on the taxpayer's particular circumstances.

## **19. DEFAULT**

Except as otherwise specifically provided in the Plan, in the event Debtor shall default in the performance of any of its obligations under the Plan, then a claimant may pursue such remedies as are available at law or in equity. An event of default occurring with respect to one Claim shall not be an event of default with respect to any other Claim. Nothing contained in the Plan shall limit the right of any party to reopen Debtor's case or to convert this case to a liquidation case under Chapter 7 of the Bankruptcy Code if cause for such relief exists.

Debtor shall be entitled to written notice of any claimed default under the Plan, and shall have fifteen (15) days opportunity to cure. If such claimed default is cured within the fifteen (15) days cure period, then such Creditor shall not be entitled to enforce any remedies which would otherwise be available on account of such default. If Debtor fails to cure within the fifteen (15) days cure period, then such Creditor may seek such remedies as are granted by law to enforce its rights arising under and pursuant to the Plan, including seeking an order to compel such performance. The default and cure provisions contained in the Plan shall supercede any provisions concerning default and cure contained in any other agreement between Debtor and any Creditor affected by the Plan.

Notice of default under the Plan shall be simultaneously mailed to both the Debtor and to the Debtor's attorney, if any, postage prepaid, at the following addresses:

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**Debtor:**

SeaPort Airlines, Inc.  
Attn: Timothy Sieber  
816 SW First Avenue  
Portland, Oregon 97204  
Telephone: 971-340-1716

**Debtor's Attorney:**

Robert J Vanden Bos  
VANDEN BOS & CHAPMAN, LLP  
319 SW Washington, Suite 520  
Portland, OR 97204  
Telephone: (503) 241-4869

## **20. MODIFICATION OF THE PLAN**

The Debtor may, upon compliance with requirements of 11 USC Section 1127, propose amendments or modifications to the Plan at any time prior to confirmation with the permission of the Court and upon notice to affected Creditors. If Debtor revokes or withdraws the Plan prior to the Effective Date, then the Plan shall be deemed null and void. In such event, nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any other entity or to prejudice in any manner the rights of the Debtor or any entity in any further proceeding involving the Debtor. After confirmation, Debtor may, with the approval of the Court, and so long as it does not materially or adversely affect the interest of Creditors, remedy any defects, omissions or reconcile any inconsistencies in the Plan in whatever way is necessary to carry out the purposes of the Plan.

## **21. EFFECT OF CONFIRMATION**

The effect of confirmation shall be as provided for in 11 USC Section 1141, and as otherwise set forth in the Plan. After confirmation, and provided that Debtor is not in default of the Plan as defined herein, Debtor shall have authority to operate Debtor's

business in any lawful manner not inconsistent with the provisions of the Plan. Without limiting the foregoing, the property of the Debtor and/or the property of the bankruptcy estate which will vest in the Debtor on the Effective Date includes but is not limited to Debtor's tax attributes including, but not limited to, ordinary loss carry forwards and capital loss carry forwards as defined and allowed under the Internal Revenue Code and the laws of the State of Oregon that the Debtor or the bankruptcy estate were entitled to claim pre-petition, or that arose post-petition.

## **22. DISCHARGE**

Debtor will receive a discharge of its debts under 11 USC Section 1144 upon completion of the payments due to the Class 23 Creditors, subject to any applicable exceptions to discharge under 11 USC Section 1141(d)(6).

## **23. RESERVATION OF POWERS**

Nothing in the Plan shall be deemed to constitute a waiver of the powers of Debtor under Chapters 3 and 5 of Title 11 of the United States Code. The Debtor shall retain after confirmation all powers granted by such Title to the Debtor with respect to avoidance of liens or transfers, recovery of property, and subordination of Claims.

## **24. ALTERNATIVES**

Alternatives to the Plan include adoption of a different Plan, dismissal of the case, or conversion of the case to a case under Chapter 7. If the case is dismissed, Creditors may assert and enforce their Claims against Debtor by any method allowed by law. Secured Creditors may foreclose their security interests and Creditors may obtain judgments and levy execution on unencumbered Assets. If the case is converted to a case under Chapter 7, a Trustee will be appointed to liquidate Debtor's Assets for the benefit of the estate.

Debtor believes Creditors would receive far less in a Chapter 7 bankruptcy case than Creditors will receive under Debtor's Plan.

## **25. RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order, the Court shall retain jurisdiction of this Chapter 11 case pursuant to and for the purposes set forth in 11 USC Section 1127(b) and (a) to classify the Claim of any Creditor, reexamine Claims which have been allowed for voting purposes and determine any objection that may be filed to Claims; (b) to determine requests for payment of Claims entitled to priority under Section 507(a)(2) of the Code, including compensation and reimbursement of expenses in favor of professionals employed at the expense of the estate; (c) to avoid transfers or obligations and to subordinate Claims under Chapter 5 of the Bankruptcy Code; (d) to approve the assumption, assignment or rejection of executory contracts and unexpired leases pursuant to 11 USC Sections 365 and 1123; (e) to resolve all controversies and disputes regarding the interpretation of the Plan; (f) to implement the provisions of the Plan and enter orders in aid of confirmation; (g) to adjudicate any and all adversary proceedings and contested matters pending or hereafter commenced in this Chapter 11 case; (h) to enter a final decree closing this Chapter 11 case; for such other matters as may be set forth in the Confirmation Order; (i) to determine the nature and extent of Debtor's ownership, or rights in property held by the Debtor as of the Petition Date, including but not limited to actions to quiet title; (j) to reopen the case without payment of a reopening fee for the limited purpose of granting Debtor a discharge under 11 USC Section 1141 (i) upon completion of all Plan payments, (ii) prior to completion of Debtor's scheduled payments under Section 1141(d)(5)(B), (iii) or for "cause" under Section 1141(a)(5)(A); (k) to consider and approve a modified Plan proposed by the Debtor pursuant to 11 USC Section 1127(e); (l) to resolve

disputes relating to amounts owing to Debtor's professionals and/or (m) to reopen the case for any purpose authorized by the Code. Nothing in the Plan shall be deemed a waiver of Debtor's rights to seek the relief enumerated in this Paragraph, nor estop Debtor from seeking such relief.

## **26. CONFIRMATION OF THE PLAN**

### **26.1 Best Interest of Creditors Test.**

Debtor believes that all general Unsecured Creditors will receive under the Plan, on account of their Claims, property having a value, as of the date of confirmation of the Plan, that is equal to or in excess of the amount that such Creditors would receive if Debtor's Assets were liquidated under a Chapter 7 case. This is commonly referred to as the "Best Interest of Creditors" standard. As shown by **Exhibit 7 - Debtor's Liquidation Analysis**, in a liquidation there would likely be no funds available to pay to the general Unsecured (non-priority) Claims. In contrast, Debtor's Plan proposes a payment to unsecured (non-priority) Creditors of not less than \$225,000, resulting in better treatment for Creditors under the Plan than would be the case in a liquidation under Chapter 7.

### **26.2 Fair and Equitable Test.**

The Court may confirm the Plan upon finding that the Plan is fair and equitable under the provisions of 11 USC Section 1129(b). Debtor believes that the Plan proposed is fair and equitable and satisfies the requirements of 11 USC Section 1129(b). Debtor will seek confirmation of the Plan, even if the Plan is not accepted by all Classes of Creditors.

### **26.3 Voting Procedures.**

A ballot for voting for the acceptance or rejection of the Plan is attached as the last Exhibit (**Exhibit 11 - Ballot for Accepting or Rejecting Debtor's Plan**) to this Disclosure Statement and should be removed and used for voting on the Plan. Holders of Claims and

interests should carefully read the instructions contained on the ballot and complete, date, and sign the ballot and transmit it to the address indicated on the ballot. In order for a holder's vote to be tabulated, the holder's ballot must be received at the address indicated on the ballot not later than the date set forth in the Order accompanying this Disclosure Statement. Ballots may be filed via fax at (503) 241-3731 or sent via email to: "seaportsballots@vbcattorneys.com" so long as the ballot containing the original signature of the Creditor is returned by mail postmarked on or before the deadline date for voting. Failure to vote or a vote to reject the Plan will not affect a Creditor's Claim if the Plan is ultimately confirmed.

A Class of Claims will have accepted the Plan if the Plan is accepted by Creditors holding at least two-thirds in total dollar amount and more than one-half in number of the Allowed Claims of such Class voting on the Plan. A Class of interests will have accepted the Plan if voting members of that Class holding at least two-thirds in amount of the allowed interests voting, have voted for the Plan. All of the foregoing percentage requirements are determined entirely from those Creditors or interests that actually vote. If a Class of Claims is not impaired, it is deemed to accept the Plan.

In addition to either voting for or against confirmation of the Plan, any Creditor holding a Claim in excess of \$200 may "opt in" to Class 22 by marking a special "opt in" election on the ballot for voting for or against the Plan. Creditors holding Claims in excess of \$200 who elect to "opt-in" to Class 22 shall agree to reduce their Claims to \$200 and to consent to the treatment of their reduced Claim as called for within Class 22.

#### **26.4 Hearing on Confirmation.**

The Confirmation Hearing has been set for \_\_\_\_\_, **2016**, at \_\_:\_\_ .m. before the Honorable Randall L. Dunn, United States Bankruptcy Judge, Courtroom No. 3,

United States Bankruptcy Court, 1001 SW Fifth Avenue, Suite 700, Portland, Oregon 97204. The Bankruptcy Court will confirm the Plan at the hearing only if the relevant requirements set forth in 11 USC Section 1129 are satisfied.

Objections to confirmation of the Plan must be in writing and must be filed with the Clerk of the Bankruptcy Court and served on counsel for Debtor on or before the deadline specified in the Order accompanying this Disclosure Statement. Counsel for Debtor on whom objections must be served is Robert J Vanden Bos, Vanden Bos & Chapman, LLP, 319 SW Washington, Suite 520, Portland, Oregon 97204-2620.

**26.5 Effect of Confirmation of the Plan.**

Confirmation of the Plan shall have the effect provided in 11 USC Section 1141.

**26.6 Administrative Closure of Case Pending Entry of Discharge.** After the Plan has been substantially consummated in accordance with 11 USC Section 1101(2) and after the estate has been fully administered except for the completion of all Plan payments, the Court shall enter an order administratively closing the case upon Debtor's motion. The order administratively closing the case shall not constitute an order closing the case for purposes of 28 USC Section 1930 Appendix (11), 11 USC Section 362 (c) (2) (A), or FRBP 4006. As set forth in 11 USC Section 1141 (a), notwithstanding the entry of the order administratively closing the case, the provisions of the confirmed Plan and Confirmation Order shall continue to bind the Debtor, the Creditors, and other parties in interest. The Debtor, any Creditor, or any other party in interest may file a motion to reopen this case without necessity of paying a filing fee. The case may be reopened for any purpose authorized under the Bankruptcy Code, including but not limited to entry of

discharge on any grounds permitted under 11 USC Section 1141, and/or modification of the Plan pursuant to 11 USC Section 1127.

Dated: July 11th, 2016

Respectfully submitted,

SEAPORT AIRLINES, INC.

By: /s/Timothy Sieber  
Timothy Sieber, President

PRESENTED BY:

By: /s/Robert J Vanden Bos for Douglas R. Ricks

Robert J Vanden Bos, OSB #78100

Douglas R. Ricks, OSB #044026

Christopher N. Coyle, OSB #07350

VANDEN BOS & CHAPMAN, LLP

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Portland, Oregon 97204

Telephone: (503) 241-4869

Fax: (503) 241-3731

Of Attorneys for Debtor-in-Possession

## LIST OF EXHIBITS

**Exhibit 1 - Debtor's Capital Structure**

**Exhibit 2 - Debtor's Post-Petition Cost Reductions**

**Exhibit 3 - Debtor's Prior Three Years Summary Profit & Loss Statements**

**Exhibit 4 - Debtor's Prior Three Years Summary Balance Sheets**

**Exhibit 5 - Copy of Profit & Loss Statement from Debtor's May 2015 Report**

**Exhibit 6 - Debtor's Projected Confirmation Balance Sheet**

**Exhibit 7 - Debtor's Liquidation Analysis**

**Exhibit 8 - Debtor's Liabilities**

**Exhibit 9 - Debtor's Summary of Professionals**

**Exhibit B - Class 23 Promissory Note**

**Exhibit 10 - Debtor's Income and Expenses and Projected Plan Payments**

**Exhibit 11 - Ballot for Accepting or Rejecting Debtor's Plan**

**EXHIBIT 1**

**DEBTOR'S CAPITAL STRUCTURE**

Capital Structure

Owner Name	Beneficial Owner	Common Shares	%	Preferred Shares	%	Total Shares	%
SeaPort Air Group LLC (Common Shares Only)	John P. Beardsley	4,960,000	88.90%	625,157	38.40%	5,585,157	77.50%
	Tom Carrollo	620,000	11.10%	1,667	0.10%	621,667	8.60%
	Kent Craford	0	0.00%	0	0.00%	0	0.00%
	<b>Total</b>	<b>5,580,000</b>	<b>100%</b>				
OAF - Oregon Angel Fund	Various			644,477	39.60%	644,477	9.9%
Lane Powell PC	Lane Powell PC			130,530	8.00%	130,530	2.2%
Donna Blake	Donna Blake			81,580	5.00%	81,580	1.1%
Jean Pettijohn Coates	Jean Pettijohn Coates			40,790	2.50%	40,790	0.6%
Stephen C. Kokes	Stephen C. Kokes			40,790	2.50%	40,790	0.6%
Lynnor B. Stevenson	Lynnor B. Stevenson			40,790	2.50%	40,790	0.6%
Robert McKinney	Robert McKinney			22,027	1.40%	22,027	0.3%
<b>Grand Total Issued Shares</b>		<b>5,580,000</b>	<b>100%</b>	<b>1,627,808</b>	<b>100.00%</b>	<b>7,207,808</b>	<b>100.00%</b>
<b>Percent of Total Stock</b>		<b>77.40%</b>		<b>22.60%</b>			

**EXHIBIT 2**

**DEBTOR'S POST-PETITION  
COST REDUCTIONS**

**Summary of Achieved Savings Under Chapter 11**

Cost Center	Description	Monthly		Monthly	
		Old Cost	New Cost	Net Savings	% Savings
<b>HQ Real Estate</b>	Atlantic Aviation Rent	\$9,200			
	Merchant Hotel Rent	\$3,000			
	Downtown Parking		\$2,900		
	MAX Passes		\$700		
	Airport Parking		\$900		
	816 SW 1st Avenue Rent		\$3,606		
	<b>TOTAL</b>	<b>\$12,200</b>	<b>\$8,106</b>	<b>\$4,094</b>	<b>-34%</b>
<b>IT &amp; Communications</b>	IT Support	\$8,900	\$5,687		
	Distribution & RA	\$67,000	\$24,800		
	Integra Telecom - PDX	\$552	\$442		
	Integra Telecom - HQ	\$593	\$387		
	Earthlink - Closed Accounts	\$3,200			
	Rose City Solutions Phone System	\$3,800			
	<b>TOTAL</b>	<b>\$84,045</b>	<b>\$31,316</b>	<b>\$52,729</b>	<b>-63%</b>
<b>Airports</b>	<b>TOTAL - Smaller PDX Terminal Rental</b>	<b>\$8,300</b>	<b>\$6,703</b>	<b>\$1,597</b>	<b>-19%</b>
<b>Juneau Hangar</b>	Mortgage Payment	\$17,104			
	Land Lease	\$2,730			
	Insurance	\$1,276			
	Property Taxes	\$2,135			
	<b>TOTAL</b>	<b>\$23,245</b>	<b>\$0</b>	<b>\$23,245</b>	<b>-100%</b>
<b>Payroll Reductions</b> (including taxes & benefits)	Officers & Key Personnel	\$42,180	\$27,455		
	Headquarters	\$48,300	\$28,167		
	Memphis Station	\$14,520	\$8,100		
	Portland Station	\$18,230	\$12,154		
	Maintenance Management	\$8,333	\$7,083		
	Life Insurance/EAP Program	\$647	\$166		
	<b>TOTAL</b>	<b>\$132,211</b>	<b>\$83,125</b>	<b>\$49,086</b>	<b>-37%</b>
	<b>TOTAL</b>	<b>\$127,790</b>	<b>\$46,125</b>	<b>\$81,665</b>	
	<b>ANNUAL SAVINGS</b>			<b>\$979,983</b>	

**NOTE:** Figure is only savings on contracts/agreements on continuing operations. Does not include savings achieved by scaling back operations such as reduced airport rent, reductions in aviation insurance, staffing reductions, etc.

## **EXHIBIT 3**

# **DEBTOR'S PRIOR THREE YEARS SUMMARY PROFIT & LOSS STATEMENTS**

**SeaPort Airlines, Inc.'s Prior Three Years Summary Profit & Loss Statements**

	<b>FYE 3/31/2014</b>	<b>FYE 3/31/2015</b>	<b>FYE 3/31/2016</b>
Total Income	\$ 23,350,794.71	\$ 24,796,990.42	\$ 20,447,925.94
Total COGS	\$ 15,511,867.58	\$ 17,291,377.31	\$ 14,009,150.08
<b>Gross Profit</b>	<b>\$ 7,838,927.13</b>	<b>\$ 7,505,613.11</b>	<b>\$ 6,438,775.86</b>
Ordinary Expenses	\$ 7,958,257.32	\$ 10,295,738.91	\$ 10,409,880.04
Other Expenses	\$ 97,241.28	\$ (19,169.42)	\$ (46,921.27)
<b>Net Income</b>	<b>\$ (216,571.47)</b>	<b>\$ (2,770,956.38)</b>	<b>\$ (3,924,182.91)</b>

Notes:

- (1) All figures are subject to change until review with tax counsel and/or CPA.
- (2) Debtor keeps its books and records on an accrual basis; Profit & Loss information is based on those same books and records.
- (3) Income, Costs of Goods Sold, and Expenses are those as carried by the Debtor in its books and records in its regular course; FYE 3/31/2016 items include both pre-petition and post-petition transactions.
- (4) The financial information provided herein is prepared from the books and records kept by the Debtor in its regular course (collectively "Documents"). Such Documents may not be (and in some instances are not) kept according to published Accounting Standards; accordingly, the financial information should not be considered as having been prepared using Generally Accepted Accounting Principles (GAAP).

**EXHIBIT 4**

**DEBTOR'S PRIOR THREE YEARS SUMMARY  
BALANCE SHEETS**

**SeaPort Airlines, Inc.'s Prior Three Years Summary Balance Sheets**

	<b>FYE 3/31/2014</b>	<b>FYE 3/31/2015</b>	<b>FYE 3/31/2016</b>
Current Assets	\$ 2,900,449.38	\$ 3,060,932.15	\$ 2,128,196.26
Fixed Assets	\$ 4,679,154.14	\$ 4,971,201.83	\$ 4,653,690.65
Other Assets	\$ 305,673.19	\$ 451,641.28	\$ 503,985.43
<b>Total Assets</b>	<b>\$ 7,885,276.71</b>	<b>\$ 8,483,775.26</b>	<b>\$ 7,285,872.34</b>
Current Liabilities	\$ 3,943,418.97	\$ 7,468,907.03	\$ 7,641,420.48
Long Term Liabilities	\$ 4,288,912.68	\$ 4,132,896.33	\$ 6,686,907.41
<b>Total Liabilities</b>	<b>\$ 8,232,331.65</b>	<b>\$ 11,601,803.36</b>	<b>\$ 14,328,327.89</b>
Total Equity	\$ (347,054.94)	\$ (3,118,028.10)	\$ (7,042,455.55)
<b>Total Liabilities &amp; Equity</b>	<b>\$ 7,885,276.71</b>	<b>\$ 8,483,775.26</b>	<b>\$ 7,285,872.34</b>

Notes:

(1) All figures are subject to change until review with tax counsel and/or CPA.

(2) Assets are listed at book value and as kept by the Debtor in its books in its regular course; book value is based on the cost of an asset minus any accumulated depreciation. As a result, the values stated for the companies and company assets may not reflect fair market value. Company assets may have increased or decreased in fair market value since acquisition; depreciation taken pursuant to the Internal Revenue Code and the regulations thereunder may or may not accurately reflect changes in fair market value.

(3) Liabilities listed are those carried by the Debtor in its books and records in its regular course; FYE 3/31/2016 liabilities include both pre-petition and post-petition liabilities.

(4) The financial information provided herein is prepared from the books and records kept by the Debtor in its regular course (collectively "Documents"). Such Documents may not be (and in some instances are not) kept according to published Accounting Standards; accordingly, the financial information should not be considered as having been prepared using Generally Accepted Accounting Principles (GAAP).

## **EXHIBIT 5**

### **COPY OF PROFIT & LOSS STATEMENT FROM DEBTOR'S MAY 2015 REPORT**

Case Number:

16-30406-rld11

Report Mo/Yr:

May-16

Debtor: SeaPort Airlines, Inc.  
16-30406-rld11

**UST-11, COMPARATIVE INCOME STATEMENT**

**INSTRUCTIONS:** The initial report should include only business activity commencing from the petition date through the end of the month.

862425.07 For the Month of:	MO/YR 03/2016	MO/YR 04/2016	MO/YR 05/2016	Cumulative To Date
Revenue	862,425	777,372	868,492	3,262,915
Less: Returns and Allowances				-
<b>NET REVENUE</b>	<b>862,425</b>	<b>777,372</b>	<b>868,492</b>	<b>3,262,915</b>
Cost of Goods sold:				
Beginning Inventory				-
Add: Purchases	See attached Profit & Loss re: detailed COGS information			-
Less: Ending Inventory				-
<b>Cost of Goods Sold</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additional Costs of Good Sold:				
Direct Labor				-
Freight In				-
<b>TOTAL COST OF GOOD SOLD</b>	<b>542,366</b>	<b>495,187</b>	<b>470,949</b>	<b>-</b>
Other Operating Expenses:				
Officers' Salaries (Gross)				-
Other Salaries (Gross)	See attached Profit & Loss re: detailed Expense information			-
Depreciation and Amortization				-
Employee Benefits				-
Payroll Taxes (Employer's portion)				-
Insurance				-
Rent				-
General and Administrative				-
<b>TOTAL OPERATING EXPENSES</b>	<b>383,600</b>	<b>382,150</b>	<b>283,262</b>	<b>-</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>(63,541)</b>	<b>(99,965)</b>	<b>114,280</b>	
Add: Other Income		120,027	-	120,027
Less: Interest Expense	4,232	6,636	(22,812)	(8,929)
Less: Non-recurring items				
Professional Fees (Estimated)	36,248	56,369	(39,170)	114,380
UST Fees		4,875	(1,625)	4,875
Other (specify)				-
<b>TOTAL NON-RECURRING ITEMS</b>	<b>(40,479)</b>	<b>61,244</b>	<b>(40,795)</b>	<b>119,255</b>
<b>GAIN (LOSS) ON DISPOSAL OF ASSETS</b>				<b>-</b>
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(99,789)</b>	<b>87,941</b>	<b>50,673</b>	<b>49,671</b>
Income Taxes				-
<b>NET INCOME (LOSS)</b>	<b>(99,789)</b>	<b>87,941</b>	<b>50,673</b>	<b>49,671</b>

**Seaport Airlines, Inc.**  
**Profit & Loss**  
May 2016

	<u>May 16</u>
Ordinary Income/Expense	
Income	
4000-00 · Passenger Fare	202,122.94
4200-00 · Services & Fees	1,210.00
4400-00 · Air Service Contracts	656,551.00
4600-00 · ADM Recovery Revenue	29.40
4820-00 · Expired Coupons	8,296.52
4900-00 · Other Income	<u>251.95</u>
Total Income	868,461.81
Cost of Goods Sold	
5100-00 · Aircraft Lease	120,500.00
5111-00 · Aircraft Fuel	121,425.32
5200-00 · Pilot Salaries, Taxes & Benefit	76,731.79
5224 · Pilot Benefits Health, Life	5,410.60
5300-00 · Repairs & Maint - Aircraft	118,817.02
5309-50 · Repairs & Maint Eng Res PDX	0.00
5309-60 · Repairs & Maint A/C Eng Res MEM	0.00
5600-00 · Landing Fees	5,149.59
5850-00 · Commission Expense	949.45
5860-00 · ISC Expense	-14.65
5900-00 · Cost of Sales - Other	-40.00
Bus Ins · Business Insurance	22,020.10
MX Sal · Maintenance- Sal,Tax, Ben	<u>-0.01</u>
Total COGS	470,949.21
Gross Profit	397,512.60
Expense	
6110-00 · Salaries & Wages	125,274.69
6125-00 · Payroll Taxes	12,503.37
6130-00 · Insurance Workmen's Comp	18,369.30

**Seaport Airlines, Inc.**  
**Profit & Loss**  
**May 2016**

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	<u>May 16</u>
6140-00 · Employee Health, Life Insurance	3,908.32
6170-00 · Employee Training	150.00
6180-00 · Uniforms	749.34
6210-00 · Rent - Facilities & Equip	33,893.11
6220-00 · Maint & Repairs - Buildings	359.92
6230-00 · Insurance - Property & Liab	16,294.74
6240-00 · Utilities	1,015.85
6250-00 · Ramp / Parking Fees	125.00
6270-00 · Ground Handling Services	2,003.11
6320-99 · Tariffs, Manuals, Maps, Etc.	2,297.60
6330-00 · Credit Card Discounts & Fees	16,339.60
6340-00 · Reservation Expenses	30,899.91
6350-00 · Repair & Maint Ground Equip	1,113.02
6360-00 · Repair & Maint Vehicles	186.70
6370-00 · Vehicle Gas & Oil	568.23
6390-00 · Other Misc Supplies	831.84
6410-00 · Dues & Subscriptions	224.75
6430-00 · Advertising & Promotion	2,609.87
6440-00 · Sales & Marketing	7,549.00
6510-00 · Office Supplies	2,241.63
6520-00 · Telephone	11,517.46
6521-00 · Communications	1,305.00
6540-00 · Postage & Shipping	277.83
6550-00 · Computer Expenses	19,251.60
6560-00 · Legal	5,205.00
6561-00 · Accounting & Audit Fees	2,806.89
6562-00 · Consulting & Professional Fees	13,029.25

**Seaport Airlines, Inc.**  
**Profit & Loss**  
May 2016

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	May 16
6565-00 · Bank Fees	1,480.24
6566-00 · Uncollectible Accounts	400.00
6590-00 · Other Miscellaneous Expense	3,836.45
6592-00 · Distressed Passenger Expense	136.86
6610-00 · Depreciation Expense	11,778.74
6710-00 · Interest Expense	-14,323.97
6711-99 · Late Fees - HQ	361.14
6720-00 · Penalties	250.00
6730-00 · Registration & License Fees	38.50
6990-99 · Prior Year Adjustments	-66,575.74
Travel · Travel & Expenses	12,978.33
Total Expense	<u>283,262.48</u>
Net Ordinary Income	114,250.12
Other Income/Expense	
Other Expense	
9400-00 · Gain/Loss	<u>-22,811.91</u>
Total Other Expense	<u>-22,811.91</u>
Net Other Income	<u>22,811.91</u>
Net Income	<u><u>137,062.03</u></u>

**EXHIBIT 6**

**DEBTOR'S PROJECTED CONFIRMATION  
BALANCE SHEET**

Debtor's Disclosure Statement  
Exhibit 6

Debtor's Projected Confirmation Balance Sheet

**Assets**

**Real Property**

Airplane Hanger (Relief Granted / Foreclosure)	\$	-	
Rental House (Sold Pre-Confirmation)	\$	-	
<b>Real Property (Total)</b>			<b>\$ -</b>

**Current Assets**

Bank Accounts (Estimated Balances)	\$	164,250.00	
Security Deposits	\$	214,751.00	
Accounts Receivables (Inc. EAS)	\$	628,081.30	
<b>Total Current Assets</b>			<b>\$ 845,332.30</b>

**Fixed Assets**

Office Equipment	\$	30,000.00	
Vehicles	\$	67,482.00	
Cessna Caravan Flight Simulator	\$	175,000.00	
Equipment	\$	166,298.00	
Inventory	\$	669,000.00	
3rd Party Claims for Reimbursement	\$	132,087.24	
Pilot Training Slots	\$	10,000.00	
<b>Total Fixed Assets</b>			<b>\$ 1,249,867.24</b>

**Total Assets** **\$ 2,095,199.54**

**Liabilities**

<b>Secured Debt</b>	<b>\$ 1,217,954.25</b>	
<b>Administrative Debt</b>	<b>\$ 475,997.00</b>	
<b>Administrative Secured Debt (DIP Loan)</b>	<b>\$ 1,000,000.00</b>	
<b>Priority Debt</b>	<b>\$ 164,198.81</b>	
<b>Unsecured Debt</b>	<b>\$ 623,747.00</b>	
<b>Total Liabilities</b>		<b>\$ 3,481,897.06</b>
<b>Net Worth</b>		<b>\$ (1,386,697.52)</b>

**Debtor's Disclosure Statement**  
**Exhibit 6**

Disclaimers:

- (1) All figures are subject to change until review with tax counsel and/or CPA.
- (2) Asset values are based on the liquidation analysis provided with the Disclosure Statement. In addition, certain assets are listed at book value. Book value is based on the cost of an asset minus any accumulated depreciation. As a result, the values stated for the companies and company assets may not reflect fair market value. Company assets may have increased or decreased in fair market value since acquisition; depreciation taken pursuant to the Internal Revenue Code and the regulations thereunder may or may not accurately reflect changes in fair market value.
- (3) Liabilities are based on Scheduled and Filed Claims as supplemented by information obtained by Debtor's counsel during the pendency of the bankruptcy.
- (4) The financial information provided herein is prepared from the books and records kept by the Debtor in its regular course along with documents prepared for use in Debtor's bankruptcy case. (collectively "Documents"). Such Documents may not be (and in some instances are not) kept according to published Accounting Standards; accordingly, the financial information should not be considered as having been prepared using Generally Accepted Accounting Principles (GAAP).

**EXHIBIT 7**

**DEBTOR'S LIQUIDATION ANALYSIS**

## DEBTOR'S LIQUIDATION ANALYSIS -

Schedule A - Real Estate										
Title (residence, rental, commercial, etc)	Property Address	Estimated Gross Sales Price/Value	Commission & Closing Costs (est. 7%)	Subtotal	Less Liens/ Mortgages	Net to Seller Before Taxes	Basis	Net to Seller after Taxes & Liens	Available for Creditors	Notes
Airplane Hangar	8421 Livingston Way, Juneau, AK 99801	3,500,000.00	245,000.00	3,255,000.00		-204,884.59	0.00	0.00	0.00	
Lien:	Wells Fargo				2,066,690.24					
Lien:	JacobsonWings				1,393,194.35					
Rental House	39050 SE Gordon Creek Rd, Corbett, OR 97019	445,000.00	31,150.00	413,850.00		-1,257,346.09	0.00	0.00	0.00	
Lien:	Chase Bank				268,603.01					
Lien:	Multi-City Taxes				9,398.73					
Lien:	JacobsonWings				1,393,194.35					
Subtotal, Equity (if any) in Real Estate		3,945,000.00	276,150.00	3,668,850.00	3,728,487.60	-1,462,230.68		0.00	0.00	
Schedule B - Personal Property										
Title	Description of Asset	Value	Commission & Closing Costs (est. 7%)		Less Liens/ Mortgages	Net Value		Paid/Sold Post Petition	Available for Creditors	
Checking account- 4823	Wells Fargo (loan payments & cash deposits)	3,096.20			0.00	3,096.20			3,096.20	
Checking account- 4243	Bank of the West (Gravity clearing, auto payments)	4,632.95			0.00	4,632.95			4,632.95	
Checking account- 8825	First National Bank of Alaska (negative balance)	0.00			0.00	0.00			0.00	
Checking account- 0854	First Republic (operating account/Check clearing)	859.79			0.00	859.79			859.79	
Checking account - 7725	US Bank (Airlines Clearing House Settlements)	2,170.87			0.00	2,170.87			2,170.87	
Checking account - 4435	Wells Fargo (American Express clearing, ACH payment)	3,058.91			0.00	3,058.91			3,058.91	
Checking account- 6230	Bank of the West (Petty Cash/Debit Card account)	20,982.43			0.00	20,982.43			20,982.43	
Checking account - 1282	First Republic (Payroll)	600.20			0.00	600.20			600.20	
Checking account - 6248	Bank of the West	23,915.15			0.00	23,915.15			23,915.15	
Security Deposits	Refundable	164,751.00			0.00	164,751.00			164,751.00	Before potential creditor offsets
Security Deposits	Non-Refundable	224,630.18			0.00	224,630.18			0.00	
Security Deposits	Unknown if refundable or non-refundable	50,000.00			0.00	50,000.00			50,000.00	
Accounts Receivable	Accounts Receivable	8,081.93			0.00	8,081.93			0.00	
Accounts Receivable	EAS Payment (estimated as of confirmation date)	620,000.00			620,000.00	0.00		0.00	0.00	Entire amount subject to future offset in favor of United States of America
Office Equipment	Computer Inventory (includes Dell, HP, Lenovo, Asus, Acer & Toshiba brands)	30,000.00	2,100.00		0.00	27,900.00			27,900.00	
Vehicles	2009 Chevy HHR	3,260.00	228.20		0.00	3,031.80			3,031.80	
Vehicles	2008 Chrysler PT Cruiser	3,597.00	251.79		0.00	3,345.21			3,345.21	Employee Purchase Pending \$2500
Vehicles	2008 Chrysler PT Cruiser	3,597.00	251.79		0.00	3,345.21			3,345.21	To be sold at Auction
Vehicles	2009 Chevy HHR	3,260.00	228.20		0.00	3,031.80			3,031.80	To be sold at Auction
Vehicles	2009 Chevy HHR	3,260.00	228.20		0.00	3,031.80			3,031.80	
Vehicles	2008 Ford Econoline Van	8,449.50	591.47		0.00	7,858.04			7,858.04	
Vehicles	2008 Ford Econoline Van	8,449.50	591.47		0.00	7,858.04			7,858.04	
Vehicles	2009 Chevy HHR	3,260.00	228.20		0.00	3,031.80			3,031.80	
Vehicles	2004 Ford Explorer	3,965.50	277.59		0.00	3,687.92			3,687.92	
Vehicles	2013 Ford E-350 Van	14,817.00	1,037.19		0.00	13,779.81			13,779.81	
Vehicles	2003 Ford Expedition	2,017.00	141.19		0.00	1,875.81			1,875.81	
Vehicles	2008 Chevy Express Van	8,139.50	569.77		0.00	7,569.74			7,569.74	
Vehicles	2003 Chrysler PT Cruiser	1,410.00	98.70		0.00	1,311.30			1,311.30	Employee Purchase Pending \$1200
Machinery	Cessna Caravan Flight Simulator	175,000.00	12,250.00		154,685.92	8,064.08			0.00	
Machinery/Equipment	Tools Inventory (located at 2450 Winchester Rd., Memphis TN 38116) (estimated value)	100,063.00	7,004.41		0.00	93,058.59			93,058.59	
Machinery/Equipment	Parts Inventory (located at 2450 Winchester Rd., Memphis TN 38116) (estimated value)	460,000.00	32,200.00		0.00	427,800.00			427,800.00	
Machinery/Equipment	Tools Inventory (located at 7505 NE Airport Way, Portland, OR 97218) (estimated value)	15,395.00	1,077.65		0.00	14,317.35			14,317.35	
Machinery/Equipment	Equipment (located at 7505 NE Airport Way, Portland, OR 97218) (estimated value)	8,705.00	609.35		0.00	8,095.65			0.00	
Machinery/Equipment	Parts & Supplies Inventory (located at 7505 NE Airport Way, Portland, OR 97218) (estimated value)	209,000.00	14,630.00		0.00	194,370.00		40,000.00	154,370.00	\$40,000 in parts sold post petition
Machinery/Equipment	Bag Tag and Boarding Pass Printers (all Unimark/Epison brand)	42,135.00	2,949.45		0.00	39,185.55			39,185.55	

## DEBTOR'S LIQUIDATION ANALYSIS -

Title (residence, rental, commercial, etc)	Property Address	Estimated Gross Sales Price/Value	Commission & Closing Costs (est. 7%)	Subtotal	Less Liens/ Mortgages	Net to Seller Before Taxes	Basis	Paid/Sold Post Petition	Available for Creditors	Notes
Notes Receivable	Above It All, Inc. - Promissory Notes and Security Agreements dated 7/8/15 & 8/5/15; Above It All, Inc. is preparing to file Chapter 11 bankruptcy. Face Value \$60,000 - Deemed highly uncollectible.	unknown			0.00	unknown			unknown	
3rd Party Actions	Claims against 34 former pilots for reimbursement of pilot training costs. (amount is approximate)	132,087.24			0.00	132,087.24		Enailed Noel 7/05/16	72,000.00	Net deemed collectible
Insider Avoidance Claims		unknown			0.00	unknown			unknown	Committee to investigate
Avoidance Claims		45,000.00			0.00	45,000.00		45,000.00	45,000.00	
Other		10,000.00			0.00	10,000.00		10,000.00	0.00	Sold Post Petition
<b>Subtotal, Equity (if any) in Personal Property</b>		<b>\$2,421,646.85</b>			<b>\$774,685.92</b>	<b>\$1,569,416.33</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,210,457.25</b>	
<b>TOTALS:</b>										
		<b>\$6,366,646.85</b>	<b>\$276,150.00</b>	<b>\$3,668,850.00</b>	<b>\$4,503,173.52</b>	<b>\$107,185.65</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,210,457.25</b>	
<b>FROM EQUITY IN REAL ESTATE:</b>										
<b>FROM EQUITY IN PERSONAL PROPERTY:</b>		<b>\$0.00</b>								
<b>TOTAL EQUITY AVAILABLE FOR CREDITORS</b>		<b>\$1,210,457.25</b>								
<b>LESS ADMINISTRATIVE EXPENSES:</b>										
Vanden Bos & Chapman	\$270,000.00									
DIP Loan (Fountain Village)	\$1,000,000.00									
Debtor's Other Chapter 11 Professionals	\$110,747.00									
Creditor's Committee	\$85,500.00									
Estimated Trustee Attorney & Accountant fees/costs	\$40,000.00									
	<b>\$1,506,247.00</b>	<b>(\$1,506,247.00)</b>								
<b>LESS CHAPTER 7 TRUSTEE FEES:</b>										
25% - First \$5,000	\$1,250.00									
10% - \$5,000 - \$50,000	\$4,500.00									
5% - \$50,000 - \$1,000,000	\$47,500.00									
3% - over \$1,000,001	\$6,313.72									
	<b>\$59,563.72</b>	<b>(\$59,563.72)</b>								
<b>Subtotal, Available for Creditors</b>		<b>(\$355,353.47)</b>								
<b>LESS PRIORITY CLAIMS:</b>										
Class 5 - City of Memphis	\$59,942.00									
Class 6c - Multnomah County	\$36,252.00									
Class 10 - Shelby County	\$80,848.00									
Class 11c - FAA	\$29,750.00									
Class 11d - FAA	\$100,000.00									
Class 13 - Priority Admin Convenience	\$25,176.00									
Class 14 - Arkansas	\$105,991.00									
Class 16 - Visalia	\$6,816.00									
Class 17 - Tennessee	\$13,888.00									
Class 18 - San Diego County	\$9,475.00									
Class 19 - Sub Director de Control	\$8,447.00									
	<b>\$475,535.00</b>	<b>(\$475,535.00)</b>								
<b>TOTAL AVAILABLE FOR UNSECURED:</b>		<b>(\$830,888.47)</b>						Est. % Dividend <b>0%</b>		
<b>UNSECURED CLAIMS:</b>										
Class 22 Admin Convenience Claims	\$7,673.00									
Class 23 Unsecured Claims	\$4,559,270.00									
Classes 24-27 Litigation Claims	unknown									
Class 28 Insider Unsecured Claims	\$4,154,500.00									
	<b>\$8,720,443.00</b>									

**EXHIBIT 8**

**DEBTOR'S LIABILITIES**

## Debtor's Liabilities

Class #	Creditor Name	S/P/U	Claim #	Amt. Owed Per Schedule	Amt. Owed Per Claim	Difference	Allowed Amount
<b>SECURED</b>							
1	Ally Financial	s	1	\$ -	\$ 18,837.15	\$ (18,837.15)	\$ 18,837.15
2	Axis Capital	s	64	\$ 154,685.92	\$ 191,800.35	\$ (37,114.43)	\$ 191,800.35
3	Chase	s		\$ 268,603.01		\$ 268,603.01	\$ 268,603.01
4	Jacobsen, Robert N. and Darlene F. and Wings Airline Services, Inc.	s	75	\$ 1,393,194.35	\$ 2,050,871.95	\$ (657,677.60)	\$ 2,050,871.95
5	Memphis, City of	s	15	\$ 59,942.03	\$ 67,478.97	\$ (7,536.94)	\$ 67,478.97
6a	Multnomah County Tax Assessor	s	30	\$ 9,398.73	\$ 9,398.73	\$ -	\$ 9,398.73
6b	Multnomah County Tax Assessor	s	30	\$ 34,005.29	\$ 34,005.29	\$ -	\$ 34,005.29
6c	Multnomah County Tax Assessor	s	30	\$ 36,251.52	\$ 36,251.52	\$ -	\$ 36,251.52
7	San Diego County Treasurer	s	52	\$ -	\$ 3,613.08	\$ (3,613.08)	\$ 3,613.08
8	San Diego R.A. Authority	s		\$ -		\$ -	\$ -
9	First Republic Bank	s		\$ -		\$ -	\$ -
10	Shelby County Trustee Memphis TN	s	16	\$ 80,232.08	\$ 80,848.10	\$ (616.02)	\$ 80,848.10
11a	USA - IRS	s	20	\$ 353,823.00	\$ 584,546.57	\$ (230,723.57)	\$ -
11b	USA - US Customs & Border Protection	s		\$ -		\$ -	\$ -
11c	USA - FAA	s		\$ 29,750.00		\$ 29,750.00	\$ 29,750.00
11d	USA - FAA	s		\$ 323,000.00		\$ 323,000.00	\$ 323,000.00
11e	USA - TSA	s		\$ 10,000.00		\$ 10,000.00	\$ 10,000.00
11f	USA - Department of Transportation	s		\$ -		\$ -	\$ -
11g	USA - OSHA	s		\$ -		\$ -	\$ -
11h	USA - EEOC	s		\$ -		\$ -	\$ -
11i	USA - USDA	s		\$ 6,000.00		\$ 6,000.00	\$ 6,000.00
12	Wells Fargo	s	63	\$ 2,066,690.24	\$ 2,157,993.98	\$ (91,303.74)	\$ 2,066,690.24
	<b>Subtotal Secured</b>			\$ 1,885,824.04	\$ 2,338,387.15	\$ (452,563.11)	\$ 2,606,990.16
<b>PRIORITY</b>							
<b>13</b>	<b>Priority Admin Convenience - Under \$5,000</b>	p					
13	California Franchise Tax Board	p	31	\$ 838.09	\$ 2,814.29	\$ (1,976.20)	\$ 2,814.29
13	Canada Revenue Agency	p		\$ 0.72		\$ 0.72	\$ 0.72
13	Canada Revenue Agency	p		\$ 77.47		\$ 77.47	\$ 77.47
13	Canada Revenue Agency - Other	p		\$ 9.19		\$ 9.19	\$ 9.19
13	Canada Revenue Agency - Other	p		\$ 173.60		\$ 173.60	\$ 173.60
13	City & Borough of Juneau	p		\$ 1,661.07		\$ 1,661.07	\$ 1,661.07
13	City of Gustavis	p		\$ 439.70		\$ 439.70	\$ 439.70
13	City of Hoonah	p		\$ 44.26		\$ 44.26	\$ 44.26
13	City of Portland	p	72	\$ -	\$ 807.00	\$ (807.00)	\$ 807.00
13	Coos County Tax Office	p	2	\$ 2,490.90	\$ 2,524.11	\$ (33.21)	\$ 2,524.11
13	Dallas County Tax Office	p	7	\$ 418.14	\$ 613.96	\$ (195.82)	\$ 613.96
13	Garland County Tax Collector	p	29	\$ 6.61	\$ 6.61	\$ -	\$ 6.61
13	Haines Borough	p		\$ 1,028.79		\$ 1,028.79	\$ 1,028.79
11a	USA - IRS	P	20	\$ -		\$ -	\$ 500.00
13	Kansas Department of Revenue	p	25	\$ 926.85	\$ 968.12	\$ (41.27)	\$ 968.12
6d	Multnomah County Tax Assessor	p	30	\$ 1,022.67	\$ 1,022.67	\$ -	\$ 1,022.67
13	Municipality of Skagway	p		\$ -		\$ -	\$ -
13	ODR	p	49	\$ -	\$ 134.50	\$ (134.50)	\$ 134.50
13	ODR	p	60	\$ -	\$ 219.55	\$ (219.55)	\$ 219.55

## Debtor's Liabilities

Class #	Creditor Name	S/ P/ U	Claim #	Amt. Owed Per Schedule	Amt. Owed Per Claim	Difference	Allowed Amount
13	Platte County Tax	p		\$ 309.73		\$ 309.73	\$ 309.73
13	San Diego County Treasurer	p		\$ 211.42		\$ 211.42	\$ 211.42
13	Secretaria de Hacienda y Credito	p		\$ -		\$ -	\$ -
13	Secretaria de Hacienda y Credito	p		\$ 2,930.28		\$ 2,930.28	\$ 2,930.28
13	Sub Directo de Control de Ingresos por D	p		\$ 243.09		\$ 243.09	\$ 243.09
21	Taylor Phillips	p	34		\$ 990.00	\$ (990.00)	\$ 990.00
13	Tulare County Tax Collector	p	28	\$ 756.26	\$ 794.07	\$ (37.81)	\$ 794.07
13	Umatilla County	p	3	\$ 3,501.80	\$ 3,548.48	\$ (46.68)	\$ 3,548.48
13	USDA- Financial Mgmt Div	p		\$ -		\$ -	\$ -
13	USDA- Financial Mgmt Div	p		\$ 3,103.56		\$ 3,103.56	\$ 3,103.56
	<b>Subtotal Priority Admin Convenience Class 13</b>			<b>\$ 20,194.20</b>	<b>\$ 14,443.36</b>	<b>\$ 5,750.84</b>	<b>\$ 25,176.24</b>
14	Arkansas, State of	s	32	\$ 98,294.39	\$ 105,990.88	\$ (7,696.49)	\$ 105,990.88
15	ODR	p	49	\$ -	\$ -	\$ -	\$ -
16	City of Visalia (Licensing & Fees)	P	69	\$ 193.50	\$ 6,816.40	\$ (6,622.90)	\$ 6,816.40
17	Tennessee DOR	p	82	\$ -	\$ 13,046.28	\$ (13,046.28)	\$ 13,046.28
18	San Diego County Treasurer	p	52	\$ 3,055.02	\$ 8,475.05	\$ (5,420.03)	\$ 8,475.05
19	Sub Directo de Control de Ingresos por D	p		\$ 8,446.98		\$ 8,446.98	\$ 8,446.98
<b>20</b>	<b>Distressed passenger reimbursement</b>						
20	James Gardner	p		\$ 300.00		\$ 300.00	\$ 300.00
20	Shannamar Dewey	p		\$ 300.00		\$ 300.00	\$ 300.00
20	Sheila Hagbom	p		\$ 287.32		\$ 287.32	\$ 287.32
20	William C. Castleberry	p	19	\$ 144.50	\$ 289.00	\$ (144.50)	\$ 289.00
20	Susana Montano	p		\$ 143.46		\$ 143.46	\$ 143.46
20	David Volmut	p		\$ 95.00		\$ 95.00	\$ 95.00
20	Joyce Volmut	p		\$ 95.00		\$ 95.00	\$ 95.00
20	Charles Dodge	p		\$ 83.30		\$ 83.30	\$ 83.30
20	Catherine Abercrombie	p		\$ 35.00		\$ 35.00	\$ 35.00
20	Frankie Feldman	p		\$ 31.87		\$ 31.87	\$ 31.87
20	Joan Callender	p		\$ 30.00		\$ 30.00	\$ 30.00
20	Mariah Tumbaga	p		\$ 20.35		\$ 20.35	\$ 20.35
20	Terry Houger	p		\$ 1,054.12		\$ 1,054.12	\$ 1,054.12
20	Kyle Evans	p		\$ 113.00		\$ 113.00	\$ 113.00
20	Sydney Peterson	p		\$ 39.00		\$ 39.00	\$ 39.00
20	Imperial County Office of Education	p		\$ 242.17		\$ 242.17	\$ 242.17
20	Alisa Knott & Arthur Knott	p		\$ 600.00		\$ 600.00	\$ 600.00
20	Richard Preciado	p		\$ 194.00		\$ 194.00	\$ 194.00
20	Terri Lutts	p		\$ 300.00		\$ 300.00	\$ 300.00
20	Michael Rogers	p		\$ 300.61		\$ 300.61	\$ 300.61
20	Marjorie Spillman	p		\$ 170.92		\$ 170.92	\$ 170.92
20	Lien Diep	p		\$ 300.00		\$ 300.00	\$ 300.00
20	Penny Allen	p		\$ 65.00		\$ 65.00	\$ 65.00
20	John Borges	p		\$ 413.98		\$ 413.98	\$ 413.98
20	Kathleen Frisbie	p		\$ 63.50		\$ 63.50	\$ 63.50
	<b>Subtotal Distressed passenger Class 20</b>			<b>\$ 5,422.10</b>	<b>\$ 289.00</b>	<b>\$ 5,133.10</b>	<b>\$ 5,566.60</b>
21	<b>Employee Claims</b>	p		\$ 76,695.47			\$ 76,695.47
21	Jack Permison	p	53		\$ 5,106.32	\$ (5,106.32)	\$ 5,106.32

## Debtor's Liabilities

Class #	Creditor Name	S/P/U	Claim #	Amt. Owed Per Schedule	Amt. Owed Per Claim	Difference	Allowed Amount
21	Robert McKinney	p	83	\$ 12,998.47	\$ 5,855.55	\$ 7,142.92	\$ 5,855.55
	<b>Subtotal Employee Claims Class 21</b>			<b>\$ 99,506.32</b>	<b>\$ 11,250.87</b>	<b>\$ 11,559.98</b>	<b>\$ 87,657.34</b>
	<b>Subtotal Priority</b>			<b>\$ 110,758.75</b>	<b>\$ 14,732.36</b>	<b>\$ 19,330.92</b>	<b>\$ 261,175.77</b>
<b>UNSECURED UNDER \$200</b>							
22	Airline Reporting Corporation	u		\$ -		\$ -	\$ -
22	Alaska Airlines	u		\$ -		\$ -	\$ -
22	Alaska Seaplanes	u		\$ 11.00		\$ 11.00	\$ 11.00
22	Alaska Technical Solutions	u		\$ 190.00		\$ 190.00	\$ 190.00
22	Anchorage International Airport	u				\$ -	\$ -
22	AT&T	u				\$ -	\$ -
22	AT&T	u	58	\$ 85.90	\$ 148.01	\$ (62.11)	\$ 148.01
22	AT&T Phone	u	58	\$ 89.20	\$ 89.08	\$ 0.12	\$ 89.08
22	AT&T Phone	u		\$ 90.96		\$ 90.96	\$ 90.96
22	AT&T Phone	u	57	\$ 92.32	\$ 98.40	\$ (6.08)	\$ 98.40
22	AT&T Phone	u	57	\$ 126.99	\$ 135.96	\$ (8.97)	\$ 135.96
22	AT&T Phone	u	57	\$ 185.54	\$ 183.00	\$ 2.54	\$ 183.00
22	AT&T Phone	u	57	\$ 185.68	\$ 185.68	\$ -	\$ 185.68
22	AT&T Phone	u	57	\$ 191.66	\$ 186.71	\$ 4.95	\$ 186.71
22	Atlanta Hartsfield Intl Airport	u		\$ 36.00		\$ 36.00	\$ 36.00
22	AUM	u		\$ 59.73		\$ 59.73	\$ 59.73
22	Bandon by the Sea	u		\$ 185.00		\$ 185.00	\$ 185.00
22	Bellingham International Airport	u		\$ 18.00		\$ 18.00	\$ 18.00
22	Boise Air Terminal	u		\$ 85.50		\$ 85.50	\$ 85.50
22	Boston-Logan Intl Airport	u		\$ 13.50		\$ 13.50	\$ 13.50
22	Cascade Natural Gas Corp.	u		\$ 93.36		\$ 93.36	\$ 93.36
22	CenturyLink Phone	u		\$ 49.06		\$ 49.06	\$ 49.06
22	CenturyLink Phone	u		\$ 99.15		\$ 99.15	\$ 99.15
22	Charles M. Schulz Airport	u		\$ 27.00		\$ 27.00	\$ 27.00
22	Charter Communications - OTH	u		\$ 89.98		\$ 89.98	\$ 89.98
22	Chem-Dry of Oregon	u		\$ 200.00		\$ 200.00	\$ 200.00
22	City & Borough of Juneau	u		\$ 10.22		\$ 10.22	\$ 10.22
22	City & Borough of Juneau	u		\$ 42.26		\$ 42.26	\$ 42.26
22	City of Hoonah	u		\$ 172.35		\$ 172.35	\$ 172.35
22	Comcast	u		\$ 113.55		\$ 113.55	\$ 113.55
22	Cox Communications	u		\$ 129.12		\$ 129.12	\$ 129.12
22	Cox Communications	u		\$ 165.35		\$ 165.35	\$ 165.35
22	Dallas-Ft.Worth International Airport	u		\$ 18.00		\$ 18.00	\$ 18.00
22	David Jones	u		\$ 200.00		\$ 200.00	\$ 200.00
22	Denver International Airport	u		\$ 63.00		\$ 63.00	\$ 63.00
22	East Oregonian Pub. Co., Inc.	u		\$ 156.75		\$ 156.75	\$ 156.75
22	Elite Taxis, Inc.	u		\$ 87.50		\$ 87.50	\$ 87.50
22	Fairbanks International Airport	u		\$ 9.00		\$ 9.00	\$ 9.00
22	Federal Aviation Administration	u		\$ 20.80		\$ 20.80	\$ 20.80
22	Fresno Air Terminal	u		\$ 22.50		\$ 22.50	\$ 22.50
22	Glacier Auto Parts	u		\$ 36.44		\$ 36.44	\$ 36.44
22	Gravity Payments	u		\$ -		\$ -	\$ -
22	Great Bend Chamber of Commerce	u		\$ 30.00		\$ 30.00	\$ 30.00
22	Great Falls International Airport	u		\$ 18.00		\$ 18.00	\$ 18.00
22	Haines Home Building Supply	u		\$ 2.00		\$ 2.00	\$ 2.00
22	Hawaiian Airlines	u		\$ -		\$ -	\$ -
22	Honolulu International Airport	u		\$ 18.00		\$ 18.00	\$ 18.00
22	Imperial County Department of Water	u		\$ 151.10		\$ 151.10	\$ 151.10
22	InterCall	u		\$ 0.36		\$ 0.36	\$ 0.36

## Debtor's Liabilities

Class #	Creditor Name	S/P/U	Claim #	Amt. Owed Per Schedule	Amt. Owed Per Claim	Difference	Allowed Amount
22	JFK Intertnational Airport	u		\$ 9.00		\$ 9.00	\$ 9.00
22	John Wayne Airport	u		\$ 135.00		\$ 135.00	\$ 135.00
22	Kahului Airport	u		\$ 22.50		\$ 22.50	\$ 22.50
22	Ketchikan International Airport	u		\$ 13.50		\$ 13.50	\$ 13.50
22	Kona Intl at Keahole Airport	u		\$ 4.50		\$ 4.50	\$ 4.50
22	Lisa Taylor	u		\$ 84.50		\$ 84.50	\$ 84.50
22	Lufthansa German Airlines	u		\$ 150.00		\$ 150.00	\$ 150.00
22	Mahlon Sweet Field	u		\$ 85.50		\$ 85.50	\$ 85.50
22	Mammoth Lakes Airport	u		\$ 36.00		\$ 36.00	\$ 36.00
22	McCarren International Airport	u		\$ 135.00		\$ 135.00	\$ 135.00
22	McKellar-Sipes Airport	u		\$ 136.75		\$ 136.75	\$ 136.75
22	Mid Columbia Bus Company, Inc.	u		\$ 133.78		\$ 133.78	\$ 133.78
22	Minneapolis-St. Paul Intl Airport	u		\$ 9.00		\$ 9.00	\$ 9.00
22	Missoula International Airport	u		\$ 13.50		\$ 13.50	\$ 13.50
22	Monterey Peninsula Airport	u		\$ 13.50		\$ 13.50	\$ 13.50
22	Mutual of Omaha Insurance	u		\$ 25.00		\$ 25.00	\$ 25.00
22	National Retirement Services, Inc	u		\$ 50.00		\$ 50.00	\$ 50.00
22	New Orleans International Airpor	u		\$ 9.00		\$ 9.00	\$ 9.00
22	New South Parking	u		\$ 160.00		\$ 160.00	\$ 160.00
22	Newark Liberty Intl Airport	u		\$ 4.50		\$ 4.50	\$ 4.50
22	Oakland International Airport	u		\$ 22.50		\$ 22.50	\$ 22.50
22	Ontario International Airport	u		\$ 10.00		\$ 10.00	\$ 10.00
22	ORD Chicago O'Hare Internationa	u		\$ 22.50		\$ 22.50	\$ 22.50
22	Oregon Department of Motor Ve	u		\$ 21.00		\$ 21.00	\$ 21.00
22	Pacific Golf & Turf	u	65	\$ 189.92	\$ 189.92	\$ -	\$ 189.92
22	Pacific Power	u	42	\$ 91.16	\$ 131.35	\$ (40.19)	\$ 131.35
22	Palm Springs International Airpor	u		\$ 4.50		\$ 4.50	\$ 4.50
22	Pangborn Memorial Airport	u		\$ 9.00		\$ 9.00	\$ 9.00
22	Philadelphia International Airport	u		\$ 4.50		\$ 4.50	\$ 4.50
22	Phoenix Sky Harbor Intl Airport	u		\$ 112.50		\$ 112.50	\$ 112.50
22	Red Lion Hotel - Coos Bay	u	4	\$ 169.50	\$ 169.50	\$ -	\$ 169.50
22	Reno Cannon International Airpo	u		\$ 13.50		\$ 13.50	\$ 13.50
22	Richard Preciado	u		\$ 194.00		\$ 194.00	\$ 194.00
22	Roberts Field-Redmond Municipa	u		\$ 40.50		\$ 40.50	\$ 40.50
22	Rogue Valley Intl-Medford Airpor	u		\$ 121.50		\$ 121.50	\$ 121.50
22	Salina Scale Sales & Service, Inc.	u		\$ 56.44		\$ 56.44	\$ 56.44
22	Salt Lake City International Airpor	u		\$ 166.50		\$ 166.50	\$ 166.50
22	San Francisco Airport Commissio	u		\$ 76.50		\$ 76.50	\$ 76.50
22	San Jose International Airport	u		\$ 63.00		\$ 63.00	\$ 63.00
22	Santa Barbara Municipal Airport	u		\$ 22.50		\$ 22.50	\$ 22.50
22	Select Communications	u		\$ 171.85		\$ 171.85	\$ 171.85
22	Shaub-Ellison Co., Inc.	u		\$ 60.21		\$ 60.21	\$ 60.21
22	Spokane International Airport	u		\$ 148.50		\$ 148.50	\$ 148.50
22	Suddenlink - ELD	u		\$ 101.87		\$ 101.87	\$ 101.87
22	System Scale Corp.	u		\$ 163.51		\$ 163.51	\$ 163.51
22	Tri Cities Airport	u		\$ 22.50		\$ 22.50	\$ 22.50
22	Verizon	u		\$ 177.82		\$ 177.82	\$ 177.82
22	Visalia Municipal Airport	u		\$ -		\$ -	\$ -
22	Wellness First, Inc.	u		\$ 50.00		\$ 50.00	\$ 50.00
22	Westar Energy	u	37	\$ -	\$ 76.08	\$ (76.08)	\$ 76.08
22	Wichita Airport Authority	u		\$ 3.51		\$ 3.51	\$ 3.51
22	Wichita Mid-Continent Airport	u		\$ 193.16		\$ 193.16	\$ 193.16
22	Windstream	u	67	\$ 75.50	\$ 75.50	\$ -	\$ 75.50
22	Yakima Air Terminal	u		\$ 4.50		\$ 4.50	\$ 4.50
	<b>Subtotal Class 22</b>			\$ 7,486.81	\$ 1,669.19	\$ 5,817.62	\$ 7,672.63

## Debtor's Liabilities

Class #	Creditor Name	S/P/U	Claim #	Amt. Owed Per Schedule	Amt. Owed Per Claim	Difference	Allowed Amount
<b>UNSECURED OVER \$200</b>							
23	154 West Aviation Enterprises, In	u		\$ 102,650.57		\$ 102,650.57	\$ 102,650.57
23	A.E.R.O., Inc.	u		\$ 1,520.48		\$ 1,520.48	\$ 1,520.48
23	AAA Cooper Transportation	u	18	\$ -	\$ 517.27	\$ (517.27)	\$ 517.27
23	Accounting Principals	u	35	\$ 17,080.32	\$ 18,952.32	\$ (1,872.00)	\$ 18,952.32
23	ADP Commercial Leasing LLC	u		\$ 218.75		\$ 218.75	\$ 218.75
23	AEL&P	u		\$ 2,703.30		\$ 2,703.30	\$ 2,703.30
23	Aero Services	u		\$ 18,397.01		\$ 18,397.01	\$ 18,397.01
23	Air Maintenance Service, Inc.	u	46	\$ 3,064.81	\$ 25,855.90	\$ (22,791.09)	\$ 25,855.90
23	Airborne Flying Service, Inc.	u		\$ 219.00		\$ 219.00	\$ 219.00
23	Aircraft Mechanical Services	u		\$ 272.53		\$ 272.53	\$ 272.53
23	Airline Maintenance Service Inc	u		\$ 17,291.09		\$ 17,291.09	\$ 17,291.09
23	Airline Tariff Publishing Co.	u		\$ 839.80		\$ 839.80	\$ 839.80
23	Airlines for America	u		\$ 1,233.00		\$ 1,233.00	\$ 1,233.00
23	AIX Inc	u	13	\$ 7,994.65	\$ 7,994.65	\$ -	\$ 7,994.65
23	Aklitho	u		\$ 1,092.73		\$ 1,092.73	\$ 1,092.73
23	Alaska Communications Systems	u		\$ 942.04		\$ 942.04	\$ 942.04
23	Alaska Forest Association	u		\$ 450.00		\$ 450.00	\$ 450.00
23	Alaska Laundry	u		\$ 1,279.57		\$ 1,279.57	\$ 1,279.57
23	Alaska Marine Lines Inc	u		\$ 792.62		\$ 792.62	\$ 792.62
23	Alaska Pacific Environmental	u		\$ 928.03		\$ 928.03	\$ 928.03
23	Alere eScree (frm. Pembroke Oc	u		\$ 2,144.00		\$ 2,144.00	\$ 2,144.00
23	Ally - 36148	u		\$ 1,158.20		\$ 1,158.20	\$ 1,158.20
23	American Eagle Airlines, Inc	u		\$ 8,622.36		\$ 8,622.36	\$ 8,622.36
23	American Express	u	55	\$ 126,804.30	\$ 273,570.78	\$ (146,766.48)	\$ 273,570.78
23	API	u		\$ 689.78		\$ 689.78	\$ 689.78
23	ARINC	u	50	\$ 1,486.71	\$ 3,394.71	\$ (1,908.00)	\$ 3,394.71
23	ASIG Portland	u	61	\$ 10,351.58	\$ 17,536.44	\$ (7,184.86)	\$ 17,536.44
23	ASIG San Diego	u	61	\$ 3,187.50		\$ 3,187.50	\$ -
23	AT & T Corp	u	38	\$ -	\$ 2,618.91	\$ (2,618.91)	\$ 2,618.91
23	AT&T Phone	u	58	\$ 81.01	\$ 252.94	\$ (171.93)	\$ 252.94
23	AT&T Phone	u	57	\$ 157.80	\$ 280.38	\$ (122.58)	\$ 280.38
23	Atlantic Aviation	u	45	\$ 2,690.49	\$ 37,037.50	\$ (34,347.01)	\$ 37,037.50
23	Atlantic Burbank	u		\$ 14,675.00		\$ 14,675.00	\$ 14,675.00
23	ATP Aircraft Technical Publishers	u		\$ 640.00		\$ 640.00	\$ 640.00
23	Av-Base Systems	u	14	\$ 1,850.74	\$ 48,119.24	\$ (46,268.50)	\$ 48,119.24
23	Aviall Services, Inc.	u	81	\$ 33,291.92	\$ 34,574.71	\$ (1,282.79)	\$ 34,574.71
23	Bank of America VISA	u		\$ 8,871.21		\$ 8,871.21	\$ 8,871.21
23	Bay Area Chamber of Commerce	u		\$ 303.00		\$ 303.00	\$ 303.00
23	BearCom, Inc.	u		\$ 1,187.00		\$ 1,187.00	\$ 1,187.00
23	BenefitHelp Solutions	u		\$ 941.25		\$ 941.25	\$ 941.25
23	Berry	u		\$ 750.63		\$ 750.63	\$ 750.63
23	Big River Broadcasting	u		\$ 704.00		\$ 704.00	\$ 704.00
23	Black Box Network Services	u		\$ 650.88		\$ 650.88	\$ 650.88
23	Breeze In	u		\$ 2,540.30		\$ 2,540.30	\$ 2,540.30
23	Burbank-Glendale-Pasadena Airp	u	59	\$ 18,277.00	\$ 43,175.35	\$ (24,898.35)	\$ 43,175.35
23	Caravan Air, LLC	u	73	\$ -	\$ 500,000.00	\$ (500,000.00)	\$ 500,000.00
23	CenturyLink Phone	u		\$ 257.64		\$ 257.64	\$ 257.64
23	CenturyLink Phone	u		\$ 461.75		\$ 461.75	\$ 461.75
23	CenturyLink Phone	u	41	\$ -	\$ 652.61	\$ (652.61)	\$ 652.61
23	Cessna Aircraft Company	u		\$ 5,249.00		\$ 5,249.00	\$ 5,249.00
23	CFO Selections LLC	u	8	\$ 906.25	\$ 1,031.25	\$ (125.00)	\$ 1,031.25
23	Chemsearchfe	u		\$ 560.00		\$ 560.00	\$ 560.00
23	Chemstation Mid-South	u		\$ 1,454.83		\$ 1,454.83	\$ 1,454.83
23	Cheyenne Scale Company, Inc.	u		\$ 589.89		\$ 589.89	\$ 589.89
23	Chun Kerr LLP	u		\$ 565.44		\$ 565.44	\$ 565.44

## Debtor's Liabilities

Class #	Creditor Name	S/ P/ U	Claim #	Amt. Owed Per Schedule	Amt. Owed Per Claim	Difference	Allowed Amount
23	Cintas Corportation	u		\$ 250.18		\$ 250.18	\$ 250.18
23	City & Borough of Juneau	u		\$ 389.03		\$ 389.03	\$ 389.03
23	City & Borough of Juneau	u		\$ 886.79		\$ 886.79	\$ 886.79
23	City & Borough of Juneau	u		\$ 2,551.25		\$ 2,551.25	\$ 2,551.25
23	City of Houston	u	40	\$ -	\$ 7,677.30	\$ (7,677.30)	\$ 7,677.30
23	City of Kansas City	u		\$ 465.00		\$ 465.00	\$ 465.00
23	City of Pendleton	u	54	\$ 128.30	\$ 19,763.25	\$ (19,634.95)	\$ 19,763.25
23	City of Visalia (Licensing & Fees)	u	69	\$ -	\$ 328,020.43	\$ (328,020.43)	\$ 328,020.43
23	Comcast - Telephone	u		\$ 297.70		\$ 297.70	\$ 297.70
23	Comcast - Telephone	u		\$ 1,758.34		\$ 1,758.34	\$ 1,758.34
23	Computer Forms, Inc	u		\$ 279.29		\$ 279.29	\$ 279.29
23	Contract Aircraft Maintenance, Inc	u		\$ 1,500.00		\$ 1,500.00	\$ 1,500.00
23	Coos Aviation Fuel, OTH	u	12	\$ 6,079.92	\$ 2,909.66	\$ 3,170.26	\$ 2,909.66
23	Coos County Airport District	u	71	\$ -	\$ 41,734.47	\$ (41,734.47)	\$ 41,734.47
23	Courtyard by Marriott	u		\$ 3,605.44		\$ 3,605.44	\$ 3,605.44
23	Crownair Aviation	u		\$ 671.15		\$ 671.15	\$ 671.15
23	Dallas Airmotive, Inc.	u	44	\$ -	\$ 25,902.39	\$ (25,902.39)	\$ 25,902.39
23	Dallas Love Field	u		\$ 2,754.00		\$ 2,754.00	\$ 2,754.00
23	DASH CA, Inc	u		\$ 30,000.00		\$ 30,000.00	\$ 30,000.00
23	Dash Group Inc	u		\$ 600.00		\$ 600.00	\$ 600.00
23	Dell	u		\$ 3,372.79		\$ 3,372.79	\$ 3,372.79
23	Delta Western	u		\$ 10,438.43		\$ 10,438.43	\$ 10,438.43
23	Dennis Electric, Inc.	u	9	\$ 1,033.00	\$ 1,235.00	\$ (202.00)	\$ 1,235.00
23	Desser Tire & Rubber Co	u		\$ 7,122.22		\$ 7,122.22	\$ 7,122.22
23	Dio LLC	u		\$ 2,475.00		\$ 2,475.00	\$ 2,475.00
23	Duncan Aviation	u	47	\$ 13,855.80	\$ 14,350.45	\$ (494.65)	\$ 14,350.45
23	Earthlink Business	u	33	\$ 13,574.58	\$ 11,408.39	\$ 2,166.19	\$ 11,408.39
23	Eastern Oregon Regional Airport	u		\$ 8,271.00		\$ 8,271.00	\$ 8,271.00
23	El Dorado Chamber of Commerce	u		\$ 269.75		\$ 269.75	\$ 269.75
23	Estate of Fariah Peterson	u	Unk			unk	Unk
23	Executive Express Aviation, LLC	u	76	\$ 165,458.50	\$ 165,458.50	\$ -	\$ 165,458.50
23	FAA - Penalty #4	u		\$ 11,156.25		\$ 11,156.25	\$ 11,156.25
23	FedEx Freight	u		\$ 501.51		\$ 501.51	\$ 501.51
23	Flight Line Maintenance, LLC	u	23	\$ 3,220.02	\$ 3,220.02	\$ -	\$ 3,220.02
23	GAT Airline Ground Support	u		\$ 1,934.78		\$ 1,934.78	\$ 1,934.78
23	George Bush Intercontinental Air	u		\$ 4,009.50		\$ 4,009.50	\$ 4,009.50
23	Gravitate	u		\$ 7,800.00		\$ 7,800.00	\$ 7,800.00
23	Gray Line of Tennessee	u		\$ 936.00		\$ 936.00	\$ 936.00
23	Great Bend Tribune	u		\$ 292.79		\$ 292.79	\$ 292.79
23	Grupo Aeroportuario del Pacifico - GAP	u		\$ 4,195.48		\$ 4,195.48	\$ 4,195.48
23	Grupo Aeroportuario del Pacifico - GAP	u		\$ 11,189.35		\$ 11,189.35	\$ 11,189.35
23	Haines Chamber of Commerce	u		\$ 250.00		\$ 250.00	\$ 250.00
23	Heritage Coffee Co.	u		\$ 1,236.01		\$ 1,236.01	\$ 1,236.01
23	Hill Fuel LLC	u		\$ 28,933.72		\$ 28,933.72	\$ 28,933.72
23	Hogan & Lovells	u		\$ 6,219.00		\$ 6,219.00	\$ 6,219.00
23	Hoonah Trading Company	u		\$ 367.95		\$ 367.95	\$ 367.95
23	Huntleigh USA Corp.	u		\$ 1,790.08		\$ 1,790.08	\$ 1,790.08
23	Huser Integrated Technologies	u		\$ 359.29		\$ 359.29	\$ 359.29
23	Icy Strait Point, LLC	u	24	\$ 5,850.00	\$ 5,850.00	\$ -	\$ 5,850.00
23	Imperial County Airport	u		\$ 20,890.61		\$ 20,890.61	\$ 20,890.61
23	Inland Industrial Scale	u		\$ 250.00		\$ 250.00	\$ 250.00
23	Integra Telecom	u		\$ 2,640.23		\$ 2,640.23	\$ 2,640.23
23	J and V Janitorial Service	u		\$ 590.00		\$ 590.00	\$ 590.00
23	JA Aero Inc.	u	78	\$ -	\$ 115,676.63	\$ (115,676.63)	\$ 115,676.63

## Debtor's Liabilities

Class #	Creditor Name	S/ P/ U	Claim #	Amt. Owed Per Schedule	Amt. Owed Per Claim	Difference	Allowed Amount
23	JA Flight Services	u	77	\$ -	\$ 259,442.57	\$ (259,442.57)	\$ 259,442.57
23	Jack Permison	u	53	\$ -	\$ 262,440.00	\$ (262,440.00)	\$ 262,440.00
23	Jacobsen, Robert N. and Darlene F. and Wings Airline Services, Inc.	u	75	\$ -	\$ 586,476.12	\$ (586,476.12)	\$ 586,476.12
23	Jeppesen Sanderson Inc.	u		\$ 274.08		\$ 274.08	\$ 274.08
23	JS Firm, LLC	u		\$ 798.00		\$ 798.00	\$ 798.00
23	Juneau Empire	u		\$ 846.16		\$ 846.16	\$ 846.16
23	Juneau International Airport	u		\$ 39,196.50		\$ 39,196.50	\$ 39,196.50
23	Kansas City International Airport	u		\$ 7,974.00		\$ 7,974.00	\$ 7,974.00
23	Kenyon International Emergency	u	6	\$ 214,930.07	\$ 264,930.07	\$ (50,000.00)	\$ 264,930.07
23	Kevin's Aircraft Cleaning	u		\$ 300.00		\$ 300.00	\$ 300.00
23	La Quinta Inn & Suites Portland A	u		\$ 9,800.29		\$ 9,800.29	\$ 9,800.29
23	Lane Powell	u		\$ 33,679.04		\$ 33,679.04	\$ 33,679.04
23	LightPoint Corporation	u		\$ 590.00		\$ 590.00	\$ 590.00
23	Los Angeles International Airport	u		\$ 441.00		\$ 441.00	\$ 441.00
23	Lutak Lumber & Supply, Inc.	u	5	\$ 736.19	\$ 736.19	\$ -	\$ 736.19
23	Magellan Behavioral Health	u		\$ 1,670.40		\$ 1,670.40	\$ 1,670.40
23	MCB Consulting LLC	u		\$ 2,836.55		\$ 2,836.55	\$ 2,836.55
23	Memphis Avionics	u		\$ 1,064.50		\$ 1,064.50	\$ 1,064.50
23	Memphis Propeller Service, Inc.	u		\$ 27,788.42		\$ 27,788.42	\$ 27,788.42
23	Mercfuel Inc	u		\$ 6,004.86		\$ 6,004.86	\$ 6,004.86
23	Metal Innovations, Inc.	u		\$ 1,835.61		\$ 1,835.61	\$ 1,835.61
23	Michael L Larson Co, PC	u		\$ 5,000.00		\$ 5,000.00	\$ 5,000.00
23	Mid-Delta Regional Airport	u		\$ 337.50		\$ 337.50	\$ 337.50
23	Mike's Airport Express	u		\$ 1,808.85		\$ 1,808.85	\$ 1,808.85
23	Morris James, LLP	u		\$ 1,047.70		\$ 1,047.70	\$ 1,047.70
23	Morris Pub Grp	u		\$ 2,222.37		\$ 2,222.37	\$ 2,222.37
23	Most Valuable Publications	u		\$ 3,000.00		\$ 3,000.00	\$ 3,000.00
23	Nashville International Airport	u	70	\$ 1,957.50	\$ 84,828.31	\$ (82,870.81)	\$ 84,828.31
23	Neal Aviation, LLC.	u		\$ 2,943.46		\$ 2,943.46	\$ 2,943.46
23	NexAir	u		\$ 204.38		\$ 204.38	\$ 204.38
23	North Bend Municipal Airport	u		\$ 20,592.62		\$ 20,592.62	\$ 20,592.62
23	Northwest Alabama Regional Airp	u		\$ 657.00		\$ 657.00	\$ 657.00
23	Nova Healthcare	u		\$ 400.00		\$ 400.00	\$ 400.00
23	Olson Brooskby PC	u	51	\$ 55,676.09	\$ 55,676.09	\$ -	\$ 55,676.09
23	Pacific Office Automation	u		\$ 1,640.97		\$ 1,640.97	\$ 1,640.97
23	Pendleton Chamber of Commerce	u		\$ 261.00		\$ 261.00	\$ 261.00
23	Petro Marine Services/Alaska Oil	u		\$ 145,058.72		\$ 145,058.72	\$ 145,058.72
23	Pitney Bowes Inc	u	21	\$ 84.00	\$ 827.94	\$ (743.94)	\$ 827.94
23	Port of Bellingham	u		\$ 765.00		\$ 765.00	\$ 765.00
23	Port of Portland	u	79	\$ -	\$ 12,354.46	\$ (12,354.46)	\$ 12,354.46
23	Port of Portland	u	80	\$ -	\$ 15,154.69	\$ (15,154.69)	\$ 15,154.69
23	Portland Airline Consortium	u		\$ 2,490.98		\$ 2,490.98	\$ 2,490.98
23	Portland International Airport	u		\$ 20,697.92		\$ 20,697.92	\$ 20,697.92
23	Prime Turbines	u	39	\$ 70,559.26	\$ 71,327.00	\$ (767.74)	\$ 71,327.00
23	Printing Trade Company	u		\$ 2,724.75		\$ 2,724.75	\$ 2,724.75
23	Profectus, Inc.	u		\$ 950.00		\$ 950.00	\$ 950.00
23	Purchase Power - Pitney Bowes	u		\$ 857.85		\$ 857.85	\$ 857.85
23	R2 Tech Systems	u	27	\$ 14,000.00	\$ 16,000.00	\$ (2,000.00)	\$ 16,000.00
23	Reach Incorporated	u		\$ 402.21		\$ 402.21	\$ 402.21
23	Real Alfa Flight Aviation Services	u		\$ 3,534.00		\$ 3,534.00	\$ 3,534.00
23	Robert R. Redwitz & Co.	u		\$ 7,668.00		\$ 7,668.00	\$ 7,668.00
23	Rose City Solutions	u		\$ 4,320.49		\$ 4,320.49	\$ 4,320.49
23	Sabre Group, Inc.	u	56	\$ 59,455.81	\$ 67,717.05	\$ (8,261.24)	\$ 67,717.05
23	Sacramento County Airport Syste	u		\$ 9,431.14		\$ 9,431.14	\$ 9,431.14

## Debtor's Liabilities

Class #	Creditor Name	S/P/U	Claim #	Amt. Owed Per Schedule	Amt. Owed Per Claim	Difference	Allowed Amount
23	Sacramento County Airport System	u		\$ 29,333.56		\$ 29,333.56	\$ 29,333.56
23	Safety Kleen Systems	u		\$ 824.38		\$ 824.38	\$ 824.38
23	Salina Area Chamber of Commerce	u		\$ 240.00		\$ 240.00	\$ 240.00
23	San Diego Intl Lindbergh Airport	u		\$ 14,419.79		\$ 14,419.79	\$ 14,419.79
23	SANCO	u		\$ 9,856.90		\$ 9,856.90	\$ 9,856.90
23	Seattle Tacoma Intl Airport	u		\$ 2,389.50		\$ 2,389.50	\$ 2,389.50
23	Seiz Sign Company	u		\$ 514.65		\$ 514.65	\$ 514.65
23	Signature Flight Support - MEM	u	62	\$ 80.75	\$ 1,310.64	\$ (1,229.89)	\$ 1,310.64
23	Sir Speedy	u		\$ 260.62		\$ 260.62	\$ 260.62
23	SkyNet DataCom, LLC	u		\$ 273.12		\$ 273.12	\$ 273.12
23	Steven L. Graff, Inc.	u		\$ 1,750.00		\$ 1,750.00	\$ 1,750.00
23	Super Bear IGA	u		\$ 579.68		\$ 579.68	\$ 579.68
23	SurveyMonkey	u		\$ 6,000.00		\$ 6,000.00	\$ 6,000.00
23	T & S Welding	u		\$ 282.66		\$ 282.66	\$ 282.66
23	TecInfo Communications	u		\$ 340.03		\$ 340.03	\$ 340.03
23	Tennessee DOR	u	82	\$ -	\$ 431.25	\$ (431.25)	\$ 431.25
23	T-MOBILE	u		\$ 429.10		\$ 429.10	\$ 429.10
23	Tom's Aircraft Maintenance	u	17	\$ 60,978.81	\$ 61,893.49	\$ (914.68)	\$ 61,893.49
23	Tonkon Torp LLP Attorneys	u		\$ 12,635.00		\$ 12,635.00	\$ 12,635.00
23	Total Air Group, LLC	u		\$ 1,690.17		\$ 1,690.17	\$ 1,690.17
23	Trade-A-Plane	u	43	\$ 999.60	\$ 2,021.69	\$ (1,022.09)	\$ 2,021.69
23	Travelport, LP	u	48	\$ 29,000.08	\$ 35,055.66	\$ (6,055.58)	\$ 35,055.66
23	Tupelo Regional Airport	u		\$ 3,218.19		\$ 3,218.19	\$ 3,218.19
23	U.S. Bank Equipment Finance	u		\$ 10,500.00		\$ 10,500.00	\$ 10,500.00
23	Uline	u	10	\$ 482.43	\$ 482.43	\$ -	\$ 482.43
23	United Rentals	u		\$ 2,357.92		\$ 2,357.92	\$ 2,357.92
23	Valley Paint Center	u		\$ 643.76		\$ 643.76	\$ 643.76
23	VanderHouwen & Associates, Inc.	u		\$ 3,528.00		\$ 3,528.00	\$ 3,528.00
23	Vortex Industries, Inc.	u	22	\$ 3,988.08	\$ 3,988.08	\$ -	\$ 3,988.08
23	W. W. Grainger, Inc.	u	11	\$ 1,277.09	\$ 1,277.09	\$ -	\$ 1,277.09
23	Wells Fargo	s	63	\$ 2,066,690.24	\$ 2,157,993.98	\$ (91,303.74)	\$ 91,303.74
23	Westar Energy	u	36	\$ 236.66	\$ 331.19	\$ (94.53)	\$ 331.19
23	Willis of Seattle, Inc.	u		\$ 828.63		\$ 828.63	\$ 828.63
23	Windstream	u	68	\$ 203.88	\$ 204.26	\$ (0.38)	\$ 204.26
23	Wings Airways, Inc.	u	26	\$ -	\$ 21,650.01	\$ (21,650.01)	\$ 21,650.01
23	Workplace Answers	u		\$ 4,495.00		\$ 4,495.00	\$ 4,495.00
23	World Fuel Services, Inc.	u		\$ 5,530.01		\$ 5,530.01	\$ 5,530.01
23	WSI Corp	u		\$ 1,057.20		\$ 1,057.20	\$ 1,057.20
23	Wtechlink Inc.	u		\$ 246.00		\$ 246.00	\$ 246.00
23	X5 Solutions	u	74	\$ 3,673.72	\$ 5,534.81	\$ (1,861.09)	\$ 5,534.81
23	Yellow Cab Taxi	u		\$ 417.00		\$ 417.00	\$ 417.00
23		u		\$ -		\$ -	\$ -
	<b>Subtotal Class 23</b>			\$ 3,897,539.24	\$ 5,748,856.52	\$ (1,851,317.28)	\$ 4,558,270.06

## Debtor's Liabilities

Class #	Creditor Name	S/ P/ U	Claim #	Amt. Owed Per Schedule	Amt. Owed Per Claim	Difference	Allowed Amount
<b>UNSECURED LITIGATION CLAIMS</b>							
24	Rob McKinney/OSHA Whistleblower Claim	u		\$ -		\$ -	\$ -
25	Airline Crash (of July 17, 2015) Claimants	u		\$ -		\$ -	\$ -
26	Nancy Botts/Tennessee Passenger	u		\$ -		\$ -	\$ -
27	Kaylene Breeding/EEOC claim	u		\$ -		\$ -	\$ -
	<b>Subtotal Litigation Claims</b>			\$ -	\$ -	\$ -	\$ -
<b>UNSECURED INSIDER CLAIMS</b>							
28	Fountain Village Development	u		\$ 4,154,500.00			\$ 4,154,500.00
	<b>Subtotal Class 28</b>			\$ 4,154,500.00	\$ -	\$ -	\$ 4,154,500.00
	SFII Naito Old Town, LLC		66	\$ -	\$ 11,000.00	\$ (11,000.00)	\$ 11,000.00

**EXHIBIT 9**

**DEBTOR'S SUMMARY OF PROFESSIONALS**

**SUMMARY OF EMPLOYED PROFESSIONALS  
FOR SEAPORT AIRLINES, INC.**

#	Professional's Name	Type	Purpose/Necessity for Retention	Estimated Fees Through October 2016
1	Vanden Bos & Chapman, LLP	Attorney for Debtor	General Bankruptcy Counsel	\$270,000.00
2	Barran Liebman LLP	Special Counsel	Employment issues	\$10,250.00
3	Embark Aviation	Consultant	Restructuring Consultant; evaluate business strategies, operations, processes, exit plan	\$29,925.00
4	Hogan Lovells US LLP	Special Counsel	Aviation regulatory legal services	\$21,244.00
5	MCB Consulting	Consultant	Consultant re: Revenue Accounting Policy and Procedures Manual	\$3,275.00
6	Michael L. Larson Co. PC	CPA	Prepare Federal & State Returns for 2016	\$11,053.00
7	Richmond & Quinn	Special Counsel	Represent & defend potential litigation of aviation accidents in Alaska	\$0.00
8	Steven Graff, Inc.	Special Counsel	Pending/or future civil penalty matters before FAA, guidance re: FAA regulations and any litigation re: DOT or NTSB	\$35,000.00
9	Waller Lansden Dortch & Davis LLP	Special Counsel	Litigation re: alleged passenger injury 3/18/16	\$0.00
10	Michelle Smith Equity Group	Broker	Sale of Corbett cabin	\$0.00
11	Insurance Carrier to designate	Special Counsel	McKinney OSHA Complaint if not stayed	\$0.00

**EXHIBIT 10**

**DEBTOR'S INCOME AND EXPENSES AND  
PROJECTED PLAN PAYMENTS**

Calendar Year 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>1 BEGINNING CASH BALANCE</b>							<b>\$ 15,000</b>	<b>\$ 4,718</b>	<b>\$ 15,926</b>	<b>\$ 42,123</b>	<b>\$ 52,478</b>	<b>\$ 686,209</b>	
<b>Cash From Operations</b>													
2 Ticket Revenue							\$ 138,500	\$ 138,078	\$ 136,664	\$ 137,858	\$ 139,016	\$ 139,853	\$ 829,970
3 Service Charges & Fees							\$ 17,208	\$ 17,312	\$ 16,854	\$ 17,610	\$ 17,144	\$ 17,820	\$ 103,947
4 EAS Subsidy							\$ 644,036	\$ 658,413	\$ 658,413	\$ 637,174	\$ 661,807	\$ 640,458	\$ 3,900,301
5 Total Cash from Operations							\$ 799,744	\$ 813,803	\$ 811,931	\$ 792,643	\$ 817,967	\$ 798,131	\$ 4,834,218
<b>Other Cash Receipts</b>													
6 Community Incentives							\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
7 Preferential Payment Receipts							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 Total Other Cash Expenditures							\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
<b>Cash From Equity &amp; Debt Placements</b>													
10 Equity Investment							\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
11 Debt - In							\$ 70,000	\$ 70,000	\$ 70,000	\$ 100,000	\$ -	\$ -	\$ 310,000
12 Debt Repayment							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Total Cash from Equity & Debt Placement							\$ 70,000	\$ 70,000	\$ 70,000	\$ 100,000	\$ 1,000,000	\$ -	\$ 1,310,000
<b>15 NET CASH RECEIVED</b>							<b>\$ 869,744</b>	<b>\$ 893,803</b>	<b>\$ 891,931</b>	<b>\$ 902,643</b>	<b>\$ 1,827,967</b>	<b>\$ 808,131</b>	<b>\$ 6,194,218</b>
<b>Operating Expenses</b>													
16 Cost of Goods Sold							\$ 124,500	\$ 124,500	\$ 124,500	\$ 124,500	\$ 124,500	\$ 124,500	\$ 747,000
17 Aircraft Leases							\$ 103,859	\$ 103,859	\$ 100,509	\$ 104,395	\$ 101,027	\$ 104,395	\$ 618,044
18 Aircraft Fuel							\$ 17,288	\$ 17,288	\$ 17,288	\$ 17,288	\$ 17,288	\$ 17,288	\$ 103,728
19 Insurance							\$ 71,634	\$ 71,634	\$ 69,431	\$ 71,986	\$ 69,772	\$ 71,986	\$ 426,444
20 Pilot Salaries, Taxes & Benefits							\$ 19,400	\$ 19,400	\$ 18,775	\$ 19,500	\$ 18,871	\$ 19,500	\$ 115,447
21 Maintenance - Salaries, Taxes, & Benefits							\$ 59,280	\$ 59,280	\$ 57,368	\$ 59,586	\$ 57,664	\$ 59,586	\$ 352,765
22 Engine Reserves							\$ 91,055	\$ 91,055	\$ 88,319	\$ 91,492	\$ 88,742	\$ 91,492	\$ 542,154
23 Repairs & Maintenance							\$ 8,818	\$ 8,818	\$ 8,533	\$ 8,863	\$ 8,577	\$ 8,863	\$ 52,472
24 Landing Fees							\$ 142,340	\$ 142,340	\$ 140,631	\$ 142,613	\$ 140,895	\$ 142,613	\$ 851,431
25 Other Expenses							\$ 53,981	\$ 53,981	\$ 53,981	\$ 53,981	\$ 53,981	\$ 53,981	\$ 323,886
26 Salaries & Wages, Taxes & Benefits							\$ 5,120	\$ 7,620	\$ 5,120	\$ 5,120	\$ 5,120	\$ 7,620	\$ 35,718
27 Headquarters Expense							\$ 64,488	\$ 64,556	\$ 63,171	\$ 64,926	\$ 63,530	\$ 65,064	\$ 385,735
28 Marketing & Sales													
29 Reservations & Distribution													
30													

SeaPort Airlines, Inc. - Case No. 16-30406-rld11  
Debtor's Income and Expenses and Projected Plan Payments - 2016

	Calendar Year 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
31	Station Expenses							\$ 44,266	\$ 44,266	\$ 44,266	\$ 44,266	\$ 44,881	\$ 45,981	\$ 267,924
32	Cure Assumed Lease Arrears							\$ 59,197	\$ 59,197	\$ 59,197	\$ 59,197	\$ 75,552	\$ 36,355	\$ 348,695
33	Other Misc. Expenses							\$ 4,801	\$ 4,801	\$ 4,646	\$ 4,826	\$ 4,670	\$ 4,826	\$ 28,569
34	Cash Expended from Operations							\$ 870,026	\$ 872,595	\$ 855,734	\$ 872,538	\$ 875,069	\$ 854,050	\$ 5,200,011
35	Other Cash Expenditures													
36	Income Taxes							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Reimbursable Marketing Funds							\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 60,000
38	Total Other Cash Expenditures							\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 60,000
39	Cash For Capital Investments													
40	Aircraft Deposits							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	Airport & Facility Deposits							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	Equipment & Tooling							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Intentionally Left Blank							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Ground Equipment & Station Fixtures							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	Total Cash For Capital Investments							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	TOTAL CASH EXPENDED							\$ 880,026	\$ 882,595	\$ 865,734	\$ 882,538	\$ 885,069	\$ 864,050	\$ 5,260,011
47	Net Cash Flow							\$ (10,282)	\$ 11,208	\$ 26,197	\$ 20,104	\$ 942,897	\$ (55,918)	\$ 934,207
48	ENDING CASH BALANCE							\$ 4,718	\$ 15,926	\$ 42,123	\$ 62,228	\$ 995,375	\$ 630,291	

49		Net Cash Carry														630,291	
CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total	
50 Admin	Vanden Bos & Chapman	270,000	5%	0	0	0	0	0	0	0	0	0	0	79,138	9,138	88,276	
51 Admin	U.S. Trustee	N/A		0				0					9,750			9,750	
52 Admin	Barran Liebman LLP	10,250	5%	0	0	0	0	0	0	0	0	0	0	10,250	0	10,250	
53 Admin	Embark Aviation	29,925	5%	0	0	0	0	0	0	0	0	0	0	29,925	0	29,925	
54 Admin	Hogan Lovells US LLP	21,244	5%	0	0	0	0	0	0	0	0	0	0	21,244	0	21,244	
55 Admin	MCB Consulting	3,275	5%	0	0	0	0	0	0	0	0	0	0	3,275	0	3,275	
56 Admin	Michael L. Larson Co. PC	11,053	5%	0	0	0	0	0	0	0	0	0	0	11,053	0	11,053	
57 Admin	Richmond & Quinn	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0	
58 Admin	Steven Graff, Inc.	35,000	5%	0	0	0	0	0	0	0	0	0	0	35,000	0	35,000	
59 Admin	Waller Lansden Dortch & Davis LLP	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0	
60 Admin	Insurance Carrier to designate	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0	
61 Admin	Perkins Coie LLP	85,500	5%	0	0	0	0	0	0	0	0	0	0	85,500	0	85,500	
62	Subtotal:			0	0	0	0	0	0	0	0	0	9,750	275,385	9,138	294,273	
Secured Creditors																	
63 Class 1	Ally Financial	18,837	9.19%	0	0	0	0	0	0	0	0	0	0	577	577	1,153	
64 Class 2	Axis Capital	154,686	5%	0	0	0	0	0	0	0	0	0	0	0	4,699	4,699	
65 Class 3	Chase	268,603	5%	0	0	0	0	0	0	0	0	0	0	0	0	0	
66 Class 4	Jacobson & Wings Airline Svcs, Inc.	1,393,194	5%	0	0	0	0	0	0	0	0	0	0	0	0	0	
67 Class 5	Memphis, City of	59,942	5% ver	0	0	0	0	0	0	0	0	0	0	0	0	0	
68 Class 6a	Multnomah County Tax Assessor	9,399	16%	0	0	0	0	0	0	0	0	0	0	0	0	0	
69 Class 6b	Multnomah County Tax Assessor	34,005	16%	0	0	0	0	0	0	0	0	0	0	0	0	0	
70 Class 6c	Multnomah County Tax Assessor	36,252	16%	0	0	0	0	0	0	0	0	0	0	0	0	0	
71 Class 6d	Multnomah County Tax Assessor	1,022	class 13	0	0	0	0	0	0	0	0	0	0	0	0	0	
72 Class 7	San Diego County Treasurer	3,613	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0	
73 Class 8	San Diego R.A. Authority	23,057	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	
74 Class 9	First Republic Bank	23,057	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	
75 Class 10	Shelby County Trustee Memphis TN	80,848	12%	0	0	0	0	0	0	0	0	0	0	0	0	0	
76 Class 11a	USA - IRS	500	class 13	0	0	0	0	0	0	0	0	0	0	0	0	0	
77 Class 11b	USA - US Customs & Border Protection	13,000	5%	0	0	0	0	0	0	0	0	0	0	0	0	0	
78 Class 11c	USA - FAA	29,750	5%	0	0	0	0	0	0	0	0	0	0	0	0	0	

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
79	Class 11d USA - FAA	100,000	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
80	Class 11e USA - TSA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
81	Class 11f USA - Department of Transportation	30,000	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
82	Class 11g USA - OSHA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
83	Class 11h USA - EEOC	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
84	Class 11i USA - USDA	6,000	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
85	Class 12 Wells Fargo	2,066,690	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
86	Subtotal:			0	0	0	0	0	0	0	0	0	0	577	5,276	5,852

<b>Priority Creditors</b>																
87	Class 13 Priority Admin Convenience - Under \$5,000	25,176	10% avg	0	0	0	0	0	0	0	0	0	0	27,066	0	27,066
88	Class 14 State of Arkansas	105,991	10%	0	0	0	0	0	0	0	0	0	0	0	0	0
89	Class 15 ODR	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
90	Class 16 City of Visalia	6,816	10% ver	0	0	0	0	0	0	0	0	0	0	0	0	0
91	Class 17 Tennessee DOR	13,838	7.50%	0	0	0	0	0	0	0	0	0	0	0	0	0
92	Class 18 San Diego County Treasurer	8,475	18.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
93	Class 19 Sub Directo de Control de Ingresos por D	8,447	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
94	Class 20 Distressed passenger reimbursement	5,422	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
95	Class 21 Employee Claims	Still Need	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
96	Subtotal:			0	0	0	0	0	0	0	0	0	0	27,066	0	27,066

<b>Unsecured Creditors</b>																
97	Class 22 Administrative Convenience (\$200 or less) (gross \$7,673)	7,673	0%	0	0	0	0	0	0	0	0	0	0	6,138	0	6,138
98	Class 23 Unsecured Claims (\$201 & over)(excluding Insiders) (gross \$4,558,270)(5% approx. dividend)	225,000	0.500%	0	0	0	0	0	0	0	0	0	0	0	0	0
99	Subtotal:			0	0	0	0	0	0	0	0	0	0	6,138	0	6,138

SeaPort Airlines, Inc. - Case No. 16-30406-rld11  
Debtor's Income and Expenses and Projected Plan Payments - 2016

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTERES T RATE	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Unsecured Litigation Claims																
100	Class 24	Rob McKinney/OSHA Whistleblower Claim	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
101	Class 25	Airline Crash (of July 17, 2015) Claimants	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
102	Class 26	Nancy Botts/Tennessee Passenger	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
103	Class 27	Cathey Tutwiler/EEOC claim	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
		Fountain Village/Beardsley Unsecured Claim														
104	Class 28	(gross \$4,154,500)(10% dividend)	415,450	0%	0	0	0	0	0	0	0	0	0	0	0	0
105		Subtotal:		0	0	0	0	0	0	0	0	0	0	0	0	0
106	Total Plan Payments:															333,329
107	Net Cash Carry:															615,878

## Debtor's Income and Expenses and Projected Plan Payments - 2017

Calendar Year 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1 <b>BEGINNING CASH BALANCE</b>	\$ 615,878	\$ 551,372	\$ 343,590	\$ 177,764	\$ 180,420	\$ 147,601	\$ 164,491	\$ 148,928	\$ 157,590	\$ 176,422	\$ 171,635	\$ 229,027	
<b>Cash From Operations</b>													
2 Ticket Revenue	\$ 142,976	\$ 136,835	\$ 259,924	\$ 383,641	\$ 381,275	\$ 389,619	\$ 397,435	\$ 402,619	\$ 395,493	\$ 408,253	\$ 415,345	\$ 409,729	\$ 4,123,143
3 Service Charges & Fees	\$ 17,924	\$ 16,284	\$ 48,541	\$ 46,971	\$ 47,926	\$ 48,924	\$ 50,264	\$ 50,778	\$ 48,520	\$ 52,102	\$ 48,666	\$ 50,898	\$ 527,799
4 EAS Subsidy	\$ 661,807	\$ 661,807	\$ 597,761	\$ 661,807	\$ 640,458	\$ 661,807	\$ 640,458	\$ 661,807	\$ 661,807	\$ 640,458	\$ 661,807	\$ 640,458	\$ 7,792,243
5 Cash Received from Operations	\$ 822,708	\$ 814,926	\$ 906,225	\$ 1,092,419	\$ 1,069,659	\$ 1,100,350	\$ 1,088,158	\$ 1,115,204	\$ 1,105,820	\$ 1,100,814	\$ 1,125,817	\$ 1,101,086	\$ 12,443,185
<b>Other Cash Receipts</b>													
6 Community Incentives	\$ 10,000	\$ -	\$ 50,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 200,000
8 Preferential Payment Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Total Other Cash Expenditures	\$ 10,000	\$ -	\$ 50,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 200,000
<b>Cash From Equity &amp; Debt Placements</b>													
11 Equity Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 Debt Placement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Debt Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Total Cash from Equity & Debt Placement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 <b>TOTAL CASH RECEIPTS</b>	\$ 832,708	\$ 814,926	\$ 956,225	\$ 1,112,419	\$ 1,089,659	\$ 1,120,350	\$ 1,108,158	\$ 1,135,204	\$ 1,115,820	\$ 1,110,814	\$ 1,135,817	\$ 1,111,086	\$ 12,643,185
<b>Operating Expenses</b>													
17 Cost of Goods Sold	\$ 124,500	\$ 124,500	\$ 146,500	\$ 146,500	\$ 146,500	\$ 146,500	\$ 146,500	\$ 146,500	\$ 146,500	\$ 146,500	\$ 146,500	\$ 146,500	\$ 1,714,000
18 Aircraft Leases	\$ 106,483	\$ 96,178	\$ 140,397	\$ 135,868	\$ 140,397	\$ 135,868	\$ 140,397	\$ 140,397	\$ 135,868	\$ 140,397	\$ 135,868	\$ 140,397	\$ 1,588,516
19 Aircraft Fuel	\$ 17,288	\$ 17,288	\$ 19,643	\$ 19,643	\$ 19,643	\$ 19,643	\$ 19,643	\$ 19,643	\$ 19,643	\$ 19,643	\$ 19,643	\$ 19,643	\$ 231,007
20 Insurance	\$ 76,826	\$ 70,049	\$ 101,079	\$ 98,038	\$ 101,079	\$ 98,038	\$ 101,079	\$ 101,079	\$ 98,038	\$ 101,079	\$ 98,038	\$ 101,079	\$ 1,145,504
21 Pilot Salaries, Taxes & Benefits	\$ 19,890	\$ 17,966	\$ 32,307	\$ 31,265	\$ 32,307	\$ 31,265	\$ 32,307	\$ 32,307	\$ 31,265	\$ 32,307	\$ 31,265	\$ 32,307	\$ 356,760
22 Maintenance - Salaries, Taxes, & Benefits	\$ 59,586	\$ 53,820	\$ 82,310	\$ 79,655	\$ 82,310	\$ 79,655	\$ 82,310	\$ 82,310	\$ 79,655	\$ 82,310	\$ 79,655	\$ 82,310	\$ 925,885
23 Engine Reserves	\$ 94,587	\$ 90,254	\$ 127,835	\$ 124,053	\$ 127,835	\$ 124,053	\$ 127,835	\$ 127,835	\$ 124,053	\$ 127,835	\$ 124,053	\$ 127,835	\$ 1,448,060
24 Repairs & Maintenance	\$ 8,863	\$ 8,005	\$ 14,396	\$ 13,932	\$ 14,396	\$ 13,932	\$ 14,396	\$ 14,396	\$ 13,932	\$ 14,396	\$ 13,932	\$ 14,396	\$ 158,971
25 Landing Fees													\$ -
26 Other Expenses													\$ -
27 Other Salaries & Wages, Taxes & Benefits	\$ 164,755	\$ 159,498	\$ 198,666	\$ 197,616	\$ 200,462	\$ 197,616	\$ 200,462	\$ 200,462	\$ 197,616	\$ 200,462	\$ 197,616	\$ 200,462	\$ 2,315,694
28 Headquarters Expense	\$ 54,939	\$ 54,939	\$ 54,939	\$ 54,939	\$ 54,939	\$ 54,939	\$ 54,939	\$ 54,939	\$ 54,939	\$ 54,939	\$ 54,939	\$ 54,939	\$ 659,268
29 Marketing & Sales	\$ 5,120	\$ 5,120	\$ 5,120	\$ 11,620	\$ 5,120	\$ 5,120	\$ 5,120	\$ 7,620	\$ 9,120	\$ 5,120	\$ 5,120	\$ 7,620	\$ 76,936
30 Reservations & Distribution	\$ 67,956	\$ 63,609	\$ 86,169	\$ 84,154	\$ 85,828	\$ 85,378	\$ 87,070	\$ 87,391	\$ 84,907	\$ 88,951	\$ 85,671	\$ 88,170	\$ 995,254
31 Station Expenses	\$ 50,827	\$ 51,500	\$ 54,569	\$ 54,569	\$ 54,569	\$ 54,569	\$ 54,569	\$ 54,569	\$ 54,569	\$ 54,569	\$ 54,569	\$ 54,569	\$ 648,018
32 Cure Assumed Lease Arrears	\$ 16,355	\$ 16,355	\$ 16,355	\$ 16,355	\$ 15,327	\$ 15,327	\$ 15,327	\$ 15,327	\$ 15,327	\$ 15,327	\$ -	\$ -	\$ 157,379
33 Other Misc. Expenses	\$ 4,826	\$ 44,359	\$ 6,497	\$ 6,287	\$ 6,497	\$ 6,287	\$ 6,497	\$ 6,497	\$ 6,287	\$ 6,497	\$ 6,287	\$ 6,497	\$ 113,315
34 Cash Expended from Operations	\$ 872,800	\$ 873,439	\$ 1,086,782	\$ 1,074,494	\$ 1,087,209	\$ 1,068,190	\$ 1,088,451	\$ 1,091,272	\$ 1,071,719	\$ 1,090,332	\$ 1,053,156	\$ 1,076,724	\$ 12,534,567

## Debtor's Income and Expenses and Projected Plan Payments - 2017

	Calendar Year 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
35	<b>Other Cash Expenditures</b>													
36	Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Reimbursable Marketing Funds	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
38	Total Other Cash Expenditures	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
39	<b>Cash For Capital Investments</b>													
40	Aircraft Deposits	\$ -	\$ 44,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,000
41	Airport & Facility Deposits	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
42	Spare Aircraft Parts	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
43	Equipment & Tooling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Ground Equipment & Station Fixtures	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
45	Total Cash For Capital Investments	\$ -	\$ 114,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,000
46	<b>TOTAL CASH EXPENDED</b>	\$ 882,800	\$ 997,439	\$ 1,096,782	\$ 1,084,494	\$ 1,097,209	\$ 1,078,190	\$ 1,098,451	\$ 1,101,272	\$ 1,071,719	\$ 1,090,332	\$ 1,053,156	\$ 1,076,724	\$ 12,728,567
47	<b>Net Cash Flow</b>	\$ (50,092)	\$ (182,513)	\$ (140,557)	\$ 27,926	\$ (7,550)	\$ 42,160	\$ 9,706	\$ 33,932	\$ 44,101	\$ 20,482	\$ 82,661	\$ 34,361	\$ (85,382)
48	<b>ENDING CASH BALANCE</b>	\$ 565,785	\$ 368,859	\$ 203,033	\$ 205,690	\$ 172,870	\$ 189,761	\$ 174,197	\$ 182,860	\$ 201,691	\$ 196,904	\$ 254,297	\$ 263,388	

SeaPort Airlines, Inc. - Case No. 16-30406-rld11

**Debtor's Income and Expenses and Projected Plan Payments - 2017**

49		Net Cash Carry														
		565,785	368,859	203,033	205,690	172,870	189,761	174,197	182,860	201,691	196,904	254,297	263,388			
CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
50	Admin	Vanden Bos & Chapman	5%	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	109,656
51	Admin	U.S. Trustee		0			0			0			0			0
52	Admin	Barran Liebman LLP	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
53	Admin	Embark Aviation	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
54	Admin	Hogan Lovells US LLP	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Admin	MCB Consulting	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Admin	Michael L. Larson Co. PC	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Admin	Richmond & Quinn	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
58	Admin	Steven Graf, Inc.	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
59	Admin	Waller Lansden Dortch & Davis LLP	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
60	Admin	Insurance Carrier to designate	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
61	Admin	Perkins Cole LLP	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
62	Subtotal:			9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	109,656
Secured Creditors																
63	Class 1	Ally Financial	9.19%	577	577	577	577	577	577	577	577	577	577	577	577	6,919
64	Class 2	Axis Capital	5%	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	56,388
65	Class 3	Chase	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
66	Class 4	Jacobsen & Wings Airline Svcs, Inc.	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
67	Class 5	Memphis, City of	5% ver	0	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	15,884
68	Class 6a	Multnomah County Tax Assessor	16%	0	0	0	0	0	0	0	0	0	0	0	0	0
69	Class 6b	Multnomah County Tax Assessor	16%	0	0	0	0	0	0	0	0	0	0	0	0	0
70	Class 6c	Multnomah County Tax Assessor	16%	0	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	12,867
71	Class 6d	Multnomah County Tax Assessor	class 13	0	0	0	0	0	0	0	0	0	0	0	0	0
72	Class 7	San Diego County Treasurer	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
73	Class 8	San Diego R.A. Authority	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
74	Class 9	First Republic Bank	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
75	Class 10	Shelby County Trustee Memphis TN	12%	0	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	25,911
76	Class 11a	USA - IRS	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
77	Class 11b	USA - US Customs & Border Protection	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
78	Class 11c	USA - FAA	5%	0	716	716	716	716	716	716	716	716	716	716	716	7,879
79	Class 11d	USA - FAA	5%	0	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	13,244

## Debtor's Income and Expenses and Projected Plan Payments - 2017

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTERES T RATE	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
80	Class 11e USA - TSA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
81	Class 11f USA - Department of Transportation	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
82	Class 11g USA - OSHA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
83	Class 11h USA - EEOC	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
84	Class 11i USA - USDA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
85	Class 12 Wells Fargo	0	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
86	Subtotal:			5,276	12,165	12,165	12,165	12,165	12,165	12,165	12,165	12,165	12,165	12,165	12,165	139,092

<b>Priority Creditors</b>																
87	Class 13 Priority Admin Convenience - Under \$5,000	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
88	Class 14 State of Arkansas	114,819	10%	0	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	32,219
89	Class 15 ODR	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
90	Class 16 City of Visalia	7,384	10% ver	0	189	189	189	189	189	189	189	189	189	189	189	2,079
91	Class 17 Tennessee DOR	14,702	7.50%	0	357	357	357	357	357	357	357	357	357	357	357	3,930
92	Class 18 San Diego County Treasurer	9,746	18.00%	0	288	288	288	288	288	288	288	288	288	288	288	3,168
93	Class 19 Sub Directo de Control de Ingresos por D	8,799	5%	0	203	203	203	203	203	203	203	203	203	203	203	2,233
94	Class 20 Distressed passenger reimbursement	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
95	Class 21 Employee Claims	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
96	Subtotal:			0	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	43,629
<b>Unsecured Creditors</b>																
97	Class 22 Administrative Convenience (\$200 or less) (gross \$7,673)	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
98	Class 23 Unsecured Claims (\$201 & over)(excluding Insiders) (gross \$4,558,270)(5% approx. dividend)	225,937	0.500%	0	0	0	0	0	0	0	0	0	0	0	0	0
99	Subtotal:			0	0	0	0	0	0	0	0	0	0	0	0	0

Debtor's Income and Expenses and Projected Plan Payments - 2017

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
Unsecured Litigation Claims																
100	Class 24	Rob McKinney/OSHA Whistleblower Claim	0	0	0	0	0	0	0	0	0	0	0	0	0	0
101	Class 25	Airline Crash (of July 17, 2015) Claimants	0	0	0	0	0	0	0	0	0	0	0	0	0	0
102	Class 26	Nancy Botts/Tennessee Passenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0
103	Class 27	Cathy Tutwiler/EEOC claim	0	0	0	0	0	0	0	0	0	0	0	0	0	0
104	Class 28	Fountain Village/Beardsley Unsecured Claim (gross \$4,154,500)(10% dividend)	415,450	0	0	0	0	0	0	0	0	0	0	0	0	0
105		Subtotal:		0	0	0	0	0	0	0	0	0	0	0	0	0
106	Total Plan Payments:															
107	Net Cash Carry:															
				14,414	25,269	25,269	25,269	25,269	25,269	25,269	25,269	25,269	25,269	25,269	25,269	292,376
			551,372	343,590	177,764	180,420	147,601	164,491	148,928	157,590	176,422	171,635	229,027	238,119		

## Debtor's Income and Expenses and Projected Plan Payments - 2018

Calendar Year 2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1 BEGINNING CASH BALANCE	\$ 238,119	\$ 199,718	\$ 299,097	\$ 150,032	\$ 252,444	\$ 306,284	\$ 415,520	\$ 496,237	\$ 604,757	\$ 733,909	\$ 827,705	\$ 993,028	
Cash From Operations													
2 Ticket Revenue	\$ 402,187	\$ 374,158	\$ 538,816	\$ 704,029	\$ 699,332	\$ 727,893	\$ 755,454	\$ 764,119	\$ 736,698	\$ 748,377	\$ 765,032	\$ 755,734	\$ 7,971,830
3 Service Charges & Fees	\$ 52,437	\$ 49,258	\$ 95,809	\$ 92,855	\$ 94,879	\$ 101,713	\$ 104,930	\$ 105,746	\$ 95,531	\$ 101,293	\$ 96,026	\$ 100,144	\$ 1,090,820
4 EAS Subsidy	\$ 661,807	\$ 661,807	\$ 597,761	\$ 661,807	\$ 640,458	\$ 661,807	\$ 640,458	\$ 661,807	\$ 661,807	\$ 640,458	\$ 661,807	\$ 640,458	\$ 7,792,243
5 Cash Received from Operations	\$ 1,116,431	\$ 1,085,223	\$ 1,232,385	\$ 1,458,691	\$ 1,434,669	\$ 1,491,413	\$ 1,500,842	\$ 1,531,672	\$ 1,494,036	\$ 1,490,128	\$ 1,522,865	\$ 1,496,337	\$16,854,693
Other Cash Receipts													
6 Community Incentives	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
8 Preferential Payment Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Total Other Cash Expenditures	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Cash From Equity & Debt Placements													
11 Equity Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 Debt Placement	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
13 Debt Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Total Cash from Equity & Debt Placement	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
15 TOTAL CASH RECEIPTS	\$ 1,126,431	\$ 1,295,223	\$ 1,242,385	\$ 1,468,691	\$ 1,444,669	\$ 1,501,413	\$ 1,500,842	\$ 1,531,672	\$ 1,494,036	\$ 1,490,128	\$ 1,522,865	\$ 1,496,337	\$17,114,693
Operating Expenses													
17 Cost of Goods Sold													
18 Aircraft Leases	\$ 146,500	\$ 190,500	\$ 190,500	\$ 190,500	\$ 190,500	\$ 190,500	\$ 190,500	\$ 190,500	\$ 190,500	\$ 190,500	\$ 190,500	\$ 190,500	\$ 2,242,000
19 Aircraft Fuel	\$ 143,205	\$ 129,347	\$ 186,493	\$ 180,478	\$ 186,493	\$ 185,388	\$ 191,568	\$ 191,568	\$ 180,478	\$ 186,493	\$ 180,478	\$ 186,493	\$ 2,128,482
20 Insurance	\$ 19,643	\$ 24,353	\$ 24,353	\$ 24,353	\$ 24,353	\$ 24,353	\$ 24,353	\$ 24,353	\$ 24,353	\$ 24,353	\$ 24,353	\$ 24,353	\$ 287,528
21 Pilot Salaries, Taxes & Benefits	\$ 103,101	\$ 93,795	\$ 132,684	\$ 128,627	\$ 132,684	\$ 132,161	\$ 136,335	\$ 136,335	\$ 128,627	\$ 132,684	\$ 128,627	\$ 132,684	\$ 1,518,343
22 Maintenance - Salaries, Taxes, & Benefits	\$ 32,953	\$ 29,764	\$ 44,517	\$ 43,081	\$ 44,517	\$ 44,946	\$ 46,445	\$ 46,445	\$ 43,081	\$ 44,517	\$ 43,081	\$ 44,517	\$ 507,866
23 Engine Reserves	\$ 84,242	\$ 80,627	\$ 116,726	\$ 112,961	\$ 116,726	\$ 116,241	\$ 120,115	\$ 120,115	\$ 112,961	\$ 116,726	\$ 112,961	\$ 116,726	\$ 1,327,129
24 Repairs & Maintenance	\$ 130,381	\$ 115,018	\$ 161,682	\$ 156,815	\$ 161,682	\$ 161,055	\$ 166,063	\$ 166,063	\$ 156,815	\$ 161,682	\$ 156,815	\$ 161,682	\$ 1,855,754
25 Landing Fees	\$ 14,396	\$ 13,003	\$ 19,448	\$ 18,820	\$ 19,448	\$ 19,635	\$ 20,290	\$ 20,290	\$ 18,820	\$ 19,448	\$ 18,820	\$ 19,448	\$ 221,867
26 Other Expenses													\$ -
27 Other Salaries & Wages, Taxes & Benefits	\$ 211,892	\$ 203,182	\$ 243,474	\$ 239,552	\$ 243,474	\$ 244,646	\$ 248,737	\$ 248,737	\$ 239,552	\$ 243,474	\$ 239,552	\$ 243,474	\$ 2,849,744
28 Headquarters Expense	\$ 55,928	\$ 55,928	\$ 55,928	\$ 55,928	\$ 55,928	\$ 55,928	\$ 55,928	\$ 55,928	\$ 55,928	\$ 55,928	\$ 55,928	\$ 55,928	\$ 671,136
29 Marketing & Sales	\$ 9,120	\$ 19,120	\$ 9,120	\$ 11,620	\$ 9,120	\$ 9,120	\$ 9,120	\$ 11,620	\$ 9,120	\$ 9,120	\$ 9,120	\$ 11,620	\$ 126,936
30 Reservations & Distribution	\$ 85,993	\$ 80,928	\$ 110,117	\$ 107,411	\$ 109,496	\$ 111,833	\$ 114,017	\$ 114,545	\$ 108,515	\$ 115,000	\$ 110,312	\$ 113,873	\$ 1,282,040
31 Station Expenses	\$ 55,713	\$ 62,642	\$ 62,642	\$ 62,642	\$ 62,642	\$ 62,642	\$ 62,642	\$ 62,642	\$ 62,642	\$ 62,642	\$ 62,642	\$ 62,642	\$ 744,778
32 Cure Assumed Lease Arrears	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33 Other Misc. Expenses	\$ 46,497	\$ 5,868	\$ 8,496	\$ 8,221	\$ 8,496	\$ 8,460	\$ 8,742	\$ 8,742	\$ 8,221	\$ 8,496	\$ 8,221	\$ 8,496	\$ 136,956
34 Cash Expended from Operations	\$ 1,139,563	\$ 1,104,075	\$ 1,366,180	\$ 1,341,010	\$ 1,365,559	\$ 1,366,908	\$ 1,394,855	\$ 1,397,884	\$ 1,339,614	\$ 1,371,063	\$ 1,341,411	\$ 1,372,436	\$15,900,558

## Debtor's Income and Expenses and Projected Plan Payments - 2018

	Calendar Year 2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
35	Other Cash Expenditures													
36	Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Reimbursable Marketing Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Total Other Cash Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	Cash For Capital Investments													
40	Aircraft Deposits	\$ -	\$ 44,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,000
41	Airport & Facility Deposits	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
42	Spare Aircraft Parts	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
43	Equipment & Tooling	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
44	Ground Equipment & Station Fixtures	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
45	Total Cash For Capital Investments	\$ -	\$ 66,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,500
46	TOTAL CASH EXPENDED	\$ 1,139,563	\$ 1,170,575	\$ 1,366,180	\$ 1,341,010	\$ 1,365,559	\$ 1,366,908	\$ 1,394,855	\$ 1,397,884	\$ 1,339,614	\$ 1,371,063	\$ 1,341,411	\$ 1,372,436	\$15,967,058
47	Net Cash Flow	\$ (13,132)	\$ 124,648	\$ (123,795)	\$ 127,681	\$ 79,110	\$ 134,505	\$ 105,987	\$ 133,788	\$ 154,422	\$ 119,065	\$ 181,454	\$ 123,901	\$ 1,147,634
48	ENDING CASH BALANCE	\$ 224,987	\$ 324,366	\$ 175,302	\$ 277,713	\$ 331,554	\$ 440,789	\$ 521,507	\$ 630,026	\$ 759,179	\$ 852,974	\$ 1,009,159	\$ 1,116,928	

Debtor's Income and Expenses and Projected Plan Payments - 2018

49	Net Cash Carry															
	224,987	324,366	175,302	277,713	331,554	440,789	521,507	630,026	759,179	852,974	1,009,159	1,116,928				
CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
50	Admin	91,380	5%	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	0	0	91,380
51	Admin	N/A		0	0	0	0	0	0	0	0	0	0	0	0	0
52	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
53	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
54	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
58	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
59	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
60	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
61	Admin	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
62	Subtotal:			9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	9,138	0	0	91,380
Secured Creditors																
63	Class 1	8,826	9.19%	577	577	577	577	577	577	577	577	577	577	577	577	6,919
64	Class 2	102,868	5%	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	56,388
65	Class 3	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
66	Class 4	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
67	Class 5	49,382	5% ver	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	17,328
68	Class 6a	0	16%	0	0	0	0	0	0	0	0	0	0	0	0	0
69	Class 6b	0	16%	0	0	0	0	0	0	0	0	0	0	0	0	0
70	Class 6c	33,981	16%	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	14,037
71	Class 6d	0	class 13	0	0	0	0	0	0	0	0	0	0	0	0	0
72	Class 7	0	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
73	Class 8	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
74	Class 9	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
75	Class 10	72,543	12%	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	28,266
76	Class 11a	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
77	Class 11b	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
78	Class 11c	24,514	5%	716	716	716	716	716	716	716	716	716	716	716	716	8,595

Debtor's Income and Expenses and Projected Plan Payments - 2018

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTERES T RATE	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
79	Class 11d USA - FAA	95,884	5%	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	14,448
80	Class 11e USA - TSA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
81	Class 11f USA - Department of Transportation	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
82	Class 11g USA - OSHA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
83	Class 11h USA - EEOC	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
84	Class 11i USA - USDA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
85	Class 12 Wells Fargo	0	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
86	Subtotal:			12,165	12,165	12,165	12,165	12,165	12,165	12,165	12,165	12,165	12,165	12,165	12,165	145,981

<b>Priority Creditors</b>																
87	Class 13 Priority Admin Convenience - Under \$5,000	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
88	Class 14 State of Arkansas	92,913	10%	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	35,148
89	Class 15 ODR	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
90	Class 16 City of Visalia	5,968	10% ver	189	189	189	189	189	189	189	189	189	189	189	189	2,268
91	Class 17 Tennessee DOR	11,768	7.50%	357	357	357	357	357	357	357	357	357	357	357	357	4,287
92	Class 18 San Diego County Treasurer	8,099	18.00%	288	288	288	288	288	288	288	288	288	288	288	288	3,456
93	Class 19 Sub Directo de Control de Ingresos por D	6,964	5%	203	203	203	203	203	203	203	203	203	203	203	203	2,436
94	Class 20 Distressed passenger reimbursement	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
95	Class 21 Employee Claims	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
96	Subtotal:			3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	47,595

<b>Unsecured Creditors</b>																
97	Class 22 Administrative Convenience (\$200 or less) (gross \$7,673)	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
98	Class 23 Unsecured Claims (\$201 & over)(excluding Insiders)	227,062	0.500%	0	0	0	0	0	0	0	0	0	0	0	0	0
99	Subtotal:			0	0	0	0	0	0	0	0	0	0	0	0	0

Debtor's Income and Expenses and Projected Plan Payments - 2018

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
Unsecured Litigation Claims																
100	Class 24 Rob McKinney/OSHA Whistleblower Claim	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
101	Class 25 Airline Crash (of July 17, 2015) Claimants	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
102	Class 26 Nancy Botts/Tennessee Passenger	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
103	Class 27 Cathay Tutwiler/EEOC claim Fountain Village/Beardsley	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
104	Class 28 Unsecured Claim (gross \$4,154,500)(10% dividend)	415,450	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
105	Subtotal:			0	0	0	0	0	0	0	0	0	0	0	0	0
106	Total Plan Payments:			25,269	25,269	25,269	25,269	25,269	25,269	25,269	25,269	25,269	25,269	16,131	16,131	284,956
107	Net Cash Carry:			199,718	299,087	150,032	252,444	306,284	415,520	496,237	604,757	733,909	827,705	993,028	1,100,797	

Debtor's Income and Expenses and Projected Plan Payments - 2019

Calendar Year 2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>1 BEGINNING CASH BALANCE</b>	\$1,100,797	\$1,066,148	\$986,488	\$861,581	\$985,415	\$1,060,692	\$1,092,049	\$1,198,959	\$1,357,782	\$1,530,183	\$1,646,971	\$1,848,452	
<b>Cash From Operations</b>													
2 Ticket Revenue	\$759,127	\$722,214	\$892,460	\$1,066,760	\$1,051,976	\$1,088,972	\$1,125,009	\$1,133,900	\$1,092,385	\$1,109,763	\$1,124,367	\$1,098,287	\$12,265,219
3 Service Charges & Fees	\$102,635	\$96,336	\$153,195	\$147,320	\$148,488	\$158,393	\$161,386	\$162,954	\$148,960	\$161,022	\$147,271	\$153,739	\$1,741,698
4 EAS Subsidy	\$661,807	\$661,807	\$597,761	\$661,807	\$640,458	\$661,807	\$640,458	\$661,807	\$661,807	\$640,458	\$661,807	\$640,458	\$7,792,243
5 Cash Received from Operations	\$1,523,569	\$1,480,357	\$1,643,416	\$1,875,886	\$1,840,921	\$1,909,172	\$1,926,854	\$1,958,661	\$1,903,151	\$1,911,243	\$1,933,445	\$1,892,484	\$21,799,160
<b>Other Cash Receipts</b>													
6 Community Incentives	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
7 Preferential Payment Receipts	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
8 Total Other Cash Expenditures	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Cash From Equity &amp; Debt Placements</b>													
10 Equity Investment	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
11 Debt Placement	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
12 Debt Repayment	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
13 Total Cash from Equity & Debt Placement	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>15 TOTAL CASH RECEIPTS</b>	\$1,523,569	\$1,480,357	\$1,643,416	\$1,875,886	\$1,840,921	\$1,909,172	\$1,926,854	\$1,958,661	\$1,903,151	\$1,911,243	\$1,933,445	\$1,892,484	\$21,799,160
<b>Operating Expenses</b>													
16 Cost of Goods Sold													
17 Aircraft Leases	\$234,500	\$234,500	\$234,500	\$234,500	\$234,500	\$234,500	\$234,500	\$234,500	\$234,500	\$234,500	\$234,500	\$234,500	\$2,814,000
18 Aircraft Fuel	\$201,628	\$182,115	\$248,891	\$240,862	\$248,891	\$246,844	\$255,072	\$255,072	\$240,862	\$248,891	\$240,862	\$248,891	\$2,858,882
19 Insurance	\$29,063	\$29,063	\$29,063	\$29,063	\$29,063	\$29,063	\$29,063	\$29,063	\$29,063	\$29,063	\$29,063	\$29,063	\$348,758
20 Pilot Salaries, Taxes & Benefits	\$139,398	\$126,593	\$171,254	\$165,958	\$171,254	\$170,041	\$175,473	\$175,473	\$165,958	\$171,254	\$165,958	\$171,254	\$1,969,870
21 Maintenance - Salaries, Taxes, & Benefits	\$47,551	\$42,949	\$61,312	\$59,334	\$61,312	\$61,237	\$63,278	\$63,278	\$59,334	\$61,312	\$59,334	\$61,312	\$701,546
22 Engine Reserves	\$122,924	\$111,028	\$152,517	\$147,597	\$152,517	\$151,390	\$156,437	\$156,437	\$147,597	\$152,517	\$147,597	\$152,517	\$1,751,078
23 Repairs & Maintenance	\$169,368	\$153,979	\$207,650	\$201,286	\$207,650	\$206,192	\$212,720	\$212,720	\$201,286	\$207,650	\$201,286	\$207,650	\$2,389,438
24 Landing Fees	\$20,366	\$18,395	\$26,260	\$25,413	\$26,260	\$26,227	\$27,102	\$27,102	\$25,413	\$26,260	\$25,413	\$26,260	\$300,469
25 Other Expenses													
26 Other Salaries & Wages, Taxes & Benefits	\$263,117	\$250,802	\$299,946	\$294,653	\$299,946	\$299,744	\$305,207	\$305,207	\$294,653	\$299,946	\$294,653	\$299,946	\$3,507,819
27 Headquarters Expense	\$56,949	\$56,949	\$56,949	\$56,949	\$56,949	\$56,949	\$56,949	\$56,949	\$56,949	\$56,949	\$56,949	\$56,949	\$683,388
28 Marketing & Sales	\$22,453	\$22,453	\$22,453	\$22,453	\$22,453	\$22,453	\$22,453	\$22,453	\$22,453	\$22,453	\$22,453	\$22,453	\$269,436
29 Reservations & Distribution	\$112,996	\$106,134	\$138,888	\$134,786	\$136,586	\$140,427	\$142,437	\$143,241	\$134,969	\$144,688	\$136,174	\$140,799	\$1,612,125
30 Station Expenses	\$73,008	\$73,008	\$91,634	\$91,634	\$91,634	\$91,634	\$91,634	\$91,634	\$91,634	\$91,634	\$91,634	\$91,634	\$1,062,357
31 Cure Assumed Lease Arrears	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
32 Other Misc. Expenses	\$48,764	\$7,916	\$10,874	\$10,524	\$10,874	\$10,794	\$11,154	\$11,154	\$10,524	\$10,874	\$10,524	\$10,874	\$164,852
33 Cash Expended from Operations	\$1,542,087	\$1,415,885	\$1,752,192	\$1,715,012	\$1,749,890	\$1,747,497	\$1,783,480	\$1,784,284	\$1,715,195	\$1,757,992	\$1,716,400	\$1,754,103	\$20,434,017

## Debtor's Income and Expenses and Projected Plan Payments - 2019

Calendar Year 2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
35 Other Cash Expenditures													
36 Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37 Reimbursable Marketing Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38 Total Other Cash Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39 Cash For Capital Investments													
40 Aircraft Deposits	\$ -	\$ 88,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,000
41 Airport & Facility Deposits	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
42 Spare Aircraft Parts	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
43 Equipment & Tooling	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
44 Ground Equipment & Station Fixtures	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
45 Total Cash For Capital Investments	\$ -	\$ 128,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,000
46 TOTAL CASH EXPENDED	\$1,542,087	\$ 1,543,885	\$ 1,752,192	\$ 1,715,012	\$ 1,749,890	\$ 1,747,497	\$ 1,783,480	\$ 1,784,284	\$ 1,715,195	\$ 1,757,992	\$ 1,716,400	\$ 1,754,103	\$20,562,017
47 Net Cash Flow	\$ (18,517)	\$ (63,529)	\$ (108,776)	\$ 160,874	\$ 91,031	\$ 161,675	\$ 143,374	\$ 174,377	\$ 187,956	\$ 153,251	\$ 217,045	\$ 138,381	\$ 1,237,143
48 ENDING CASH BALANCE	\$1,082,280	\$ 1,002,619	\$ 877,712	\$ 1,022,455	\$ 1,076,446	\$ 1,222,367	\$ 1,235,422	\$ 1,373,337	\$ 1,545,738	\$ 1,683,434	\$ 1,864,016	\$ 1,986,833	

Debtor's Income and Expenses and Projected Plan Payments - 2019

49	Net Cash Carry															
	1,082,280	#####	877,712	1,022,455	1,076,446	1,222,367	1,235,422	1,373,337	1,545,738	1,683,434	1,864,016	1,986,833				
CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
50	Admin Vanden Bos & Chapman	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
51	Admin U.S. Trustee	N/A		0	0		0	0		0	0		0	0		0
52	Admin Barran Liebman LLP	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
53	Admin Embark Aviation	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
54	Admin Hogan Lovells US LLP	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Admin MCB Consulting	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Admin Michael L. Larson Co. PC	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Admin Richmond & Quinn	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
58	Admin Steven Graff, Inc.	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
59	Admin Waller Lansden Dortch & Davis LLP	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
60	Admin Insurance Carrier to designate	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
61	Admin Perkins Cole LLP	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
62	Subtotal:			0	0	0	0	0	0	0	0	0	0	0	0	0
Secured Creditors																
63	Class 1 Ally Financial	2,454	9.19%	577	577	577	577	200	4,699	4,699	4,699	4,699	4,699	4,709	0	2,506
64	Class 2 Axis Capital	50,430	5%	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,709	0	51,699
65	Class 3 Chase	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
66	Class 4 Jacobsen & Wings Airline Svcs, Inc.	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
67	Class 5 Memphis, City of	34,177	5% ver	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	17,328
68	Class 6a Multnomah County Tax Assessor	0	16%	0	0	0	0	0	0	0	0	0	0	0	0	0
69	Class 6b Multnomah County Tax Assessor	0	16%	0	0	0	0	0	0	0	0	0	0	0	0	0
70	Class 6c Multnomah County Tax Assessor	24,721	16%	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	14,037
71	Class 6d Multnomah County Tax Assessor	0	class 13	0	0	0	0	0	0	0	0	0	0	0	0	0
72	Class 7 San Diego County Treasurer	0	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
73	Class 8 San Diego R.A. Authority	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
74	Class 9 First Republic Bank	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
75	Class 10 Shelby County Trustee Memphis TN	51,868	12%	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	28,266
76	Class 11a USA - IRS	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
77	Class 11b USA - US Customs & Border Protection	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
78	Class 11c USA - FAA	16,973	5%	716	716	716	716	716	716	716	716	716	716	716	716	8,595

## Debtor's Income and Expenses and Projected Plan Payments - 2019

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTERES T RATE	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
79 11d	USA - FAA	86,006	5%	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	14,448
80 11e	USA - TSA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
81 Class 11f	USA - Department of Transportation	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
82 11g	USA - OSHA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
83 11h	USA - EEOC	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
84 Class 11i	USA - USDA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
85 Class 12	Wells Fargo	0	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
86	<b>Subtotal:</b>			12,165	12,165	12,165	12,165	11,789	11,589	11,589	11,589	11,589	11,589	11,589	6,890	136,878

<b>Priority Creditors</b>																
87 Class 13	Priority Admin Convenience - Under \$5,000	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
88 Class 14	State of Arkansas	65,836	10%	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	35,148
89 Class 15	ODR	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
90 Class 16	City of Visalia	4,218	10% ver	189	189	189	189	189	189	189	189	189	189	189	189	2,268
91 Class 17	Tennessee DOR	8,244	7.50%	357	357	357	357	357	357	357	357	357	357	357	357	4,287
92 Class 18	San Diego County Treasurer	5,927	18.00%	288	288	288	288	288	288	288	288	288	288	288	288	3,456
93 Class 19	Sub Directo de Control de Ingresos por D	4,828	5%	203	203	203	203	203	203	203	203	203	203	203	203	2,436
94 Class 20	Distressed passenger reimbursement	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
95 Class 21	Employee Claims	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
96	<b>Subtotal:</b>			3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	47,595

<b>Unsecured Creditors</b>																
97 Class 22	Administrative Convenience (\$200 or less) (gross \$7,673)	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
98 Class 23	Unsecured Claims (\$201 & over)(excluding Insiders) (gross \$4,558,270)(5% approx. dividend)	228,187	0.500%	0	0	0	20,909	0	0	20,909	0	0	20,909	0	0	62,726
99 Class 23	Profit Share Distribution	0		0	0	0	0	0	114,763	0	0	0	0	0	0	114,763
100	<b>Subtotal:</b>			0	0	0	20,909	0	114,763	20,909	0	0	20,909	0	0	177,489

## Debtor's Income and Expenses and Projected Plan Payments - 2019

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
<b>Unsecured Litigation Claims</b>																
101 Class 24	Rob McKinney/OSHA Whistleblower Claim	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
102 Class 25	Airline Crash (or July 17, 2015) Claimants	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
103 Class 26	Nancy Botts/Tennessee Passenger	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
104 Class 27	Cathay Tutwiler/EEOC claim Fountain Village/Beardsley Unsecured Claim	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
105 Class 28	(gross \$4,154,500)(10% dividend)	415,450	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
106	<b>Subtotal:</b>			0	0	0	0	0	0	0	0	0	0	0	0	0
107	<b>Total Plan Payments:</b>															
108	<b>Net Cash Carry:</b>															
				16,131	16,131	16,131	37,040	15,755	130,318	36,463	15,555	15,555	36,463	15,565	10,856	361,963
				1,066,148	986,488	861,581	985,415	1,060,692	1,092,049	1,198,959	1,357,782	1,530,183	1,646,971	1,848,452	1,975,977	

Debtor's Income and Expenses and Projected Plan Payments - 2020

Calendar Year 2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1 <b>BEGINNING CASH BALANCE</b>	\$ 1,975,977	\$ 1,995,493	\$ 1,976,345	\$ 1,902,009	\$ 2,037,416	\$ 2,111,912	\$ 2,159,178	\$ 2,277,204	\$ 2,448,363	\$ 2,621,159	\$ 2,756,696	\$ 2,986,343	
<b>Cash From Operations</b>													
2 Ticket Revenue	\$ 1,067,768	\$ 991,770	\$ 1,143,618	\$ 1,293,812	\$ 1,274,510	\$ 1,303,994	\$ 1,332,330	\$ 1,342,164	\$ 1,308,298	\$ 1,349,956	\$ 1,369,023	\$ 1,334,973	\$15,112,216
3 Service Charges & Fees	\$ 147,922	\$ 141,614	\$ 196,103	\$ 188,495	\$ 189,634	\$ 197,505	\$ 201,072	\$ 203,141	\$ 190,749	\$ 208,861	\$ 188,428	\$ 196,851	\$ 2,248,376
4 EAS Subsidy	\$ 661,807	\$ 661,807	\$ 619,110	\$ 661,807	\$ 640,458	\$ 661,807	\$ 640,458	\$ 661,807	\$ 661,807	\$ 640,458	\$ 661,807	\$ 640,458	\$ 7,813,591
5 Cash Received from Operations	\$ 1,877,497	\$ 1,795,191	\$ 1,958,831	\$ 2,144,114	\$ 2,104,603	\$ 2,163,306	\$ 2,173,860	\$ 2,207,112	\$ 2,160,853	\$ 2,197,274	\$ 2,219,258	\$ 2,172,283	\$25,174,183
<b>Other Cash Receipts</b>													
6 Community Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Preferential Payment Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 Total Other Cash Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash From Equity &amp; Debt Placements</b>													
10 Equity Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11 Debt Placement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 Debt Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Total Cash from Equity & Debt Placement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 <b>TOTAL CASH RECEIPTS</b>	\$ 1,877,497	\$ 1,795,191	\$ 1,958,831	\$ 2,144,114	\$ 2,104,603	\$ 2,163,306	\$ 2,173,860	\$ 2,207,112	\$ 2,160,853	\$ 2,197,274	\$ 2,219,258	\$ 2,172,283	\$25,174,183
<b>Operating Expenses</b>													
16 Cost of Goods Sold													
17 Aircraft Leases	\$ 256,500	\$ 256,500	\$ 256,500	\$ 256,500	\$ 256,500	\$ 256,500	\$ 256,500	\$ 256,500	\$ 256,500	\$ 256,500	\$ 256,500	\$ 256,500	\$ 3,078,000
18 Aircraft Fuel	\$ 263,867	\$ 246,844	\$ 314,225	\$ 304,089	\$ 314,225	\$ 304,089	\$ 314,225	\$ 314,225	\$ 304,089	\$ 314,225	\$ 304,089	\$ 314,225	\$ 3,612,415
19 Insurance	\$ 31,418	\$ 31,418	\$ 31,418	\$ 31,418	\$ 31,418	\$ 31,418	\$ 31,418	\$ 31,418	\$ 31,418	\$ 31,418	\$ 31,418	\$ 31,418	\$ 377,018
20 Pilot Salaries, Taxes & Benefits	\$ 176,372	\$ 165,459	\$ 207,992	\$ 201,516	\$ 207,992	\$ 201,516	\$ 207,992	\$ 207,992	\$ 201,516	\$ 207,992	\$ 201,516	\$ 207,992	\$ 2,395,847
21 Maintenance - Salaries, Taxes, & Benefits	\$ 63,365	\$ 59,277	\$ 73,391	\$ 71,024	\$ 73,391	\$ 71,024	\$ 73,391	\$ 73,391	\$ 71,024	\$ 73,391	\$ 71,024	\$ 73,391	\$ 847,084
22 Engine Reserves	\$ 154,309	\$ 144,353	\$ 183,153	\$ 177,245	\$ 183,153	\$ 177,245	\$ 183,153	\$ 183,153	\$ 177,245	\$ 183,153	\$ 177,245	\$ 183,153	\$ 2,106,562
23 Repairs & Maintenance	\$ 216,725	\$ 203,425	\$ 255,261	\$ 247,368	\$ 255,261	\$ 247,368	\$ 255,261	\$ 255,261	\$ 247,368	\$ 255,261	\$ 247,368	\$ 255,261	\$ 2,941,189
24 Landing Fees	\$ 26,607	\$ 24,890	\$ 30,817	\$ 29,823	\$ 30,817	\$ 29,823	\$ 30,817	\$ 30,817	\$ 29,823	\$ 30,817	\$ 29,823	\$ 30,817	\$ 355,688
25 Other Expenses													\$ -
26 Other Salaries & Wages, Taxes & Benefits	\$ 307,862	\$ 296,921	\$ 334,694	\$ 328,358	\$ 334,694	\$ 328,358	\$ 334,694	\$ 334,694	\$ 328,358	\$ 334,694	\$ 328,358	\$ 334,694	\$ 3,926,380
27 Headquarters Expense	\$ 58,002	\$ 58,002	\$ 58,002	\$ 58,002	\$ 58,002	\$ 58,002	\$ 58,002	\$ 58,002	\$ 58,002	\$ 58,002	\$ 58,002	\$ 58,002	\$ 696,024
28 Maintenance Overhead	\$ 11,620	\$ 11,620	\$ 11,620	\$ 11,620	\$ 11,620	\$ 11,620	\$ 11,620	\$ 11,620	\$ 11,620	\$ 11,620	\$ 11,620	\$ 11,620	\$ 139,436
29 Marketing & Sales	\$ 134,390	\$ 128,803	\$ 158,004	\$ 153,170	\$ 154,944	\$ 157,696	\$ 159,764	\$ 160,790	\$ 153,428	\$ 165,667	\$ 154,981	\$ 160,506	\$ 1,842,143
30 Reservation & Distribution Expenses	\$ 94,195	\$ 94,195	\$ 94,195	\$ 94,195	\$ 94,195	\$ 94,195	\$ 94,195	\$ 94,195	\$ 94,195	\$ 94,195	\$ 94,195	\$ 94,195	\$ 1,130,342
31 Cure Assumed Lease Arrears	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32 Station Expenses	\$ 30,984	\$ 10,276	\$ 13,038	\$ 12,617	\$ 13,038	\$ 12,617	\$ 13,038	\$ 13,038	\$ 12,617	\$ 13,038	\$ 12,617	\$ 13,038	\$ 169,955
33 Cash Expended from Operations	\$ 1,826,217	\$ 1,731,983	\$ 2,022,311	\$ 1,976,943	\$ 2,019,251	\$ 1,981,470	\$ 2,024,070	\$ 2,025,097	\$ 1,977,202	\$ 2,029,973	\$ 1,978,755	\$ 2,024,812	\$23,618,084

Debtor's Income and Expenses and Projected Plan Payments - 2020

	Calendar Year 2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
35	Other Cash Expenditures													
36	Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Reimbursable Marketing Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Total Other Cash Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	Cash For Capital Investments													
40	Aircraft Deposits	\$ -	\$ 44,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,000
41	Airport & Facility Deposits	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
42	Spare Aircraft Parts	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
43	Equipment & Tooling	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
44	Ground Equipment & Station Fixtures	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
45	Total Cash For Capital Investments	\$ -	\$ 71,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,500
46	TOTAL CASH EXPENDED	\$ 1,826,217	\$ 1,803,483	\$ 2,022,311	\$ 1,976,943	\$ 2,019,251	\$ 1,981,470	\$ 2,024,070	\$ 2,025,097	\$ 1,977,202	\$ 2,029,973	\$ 1,978,755	\$ 2,024,812	\$ 23,689,584
47	Net Cash Flow	\$ 51,280	\$ (8,292)	\$ (63,480)	\$ 167,171	\$ 85,352	\$ 181,836	\$ 149,790	\$ 182,015	\$ 183,652	\$ 167,301	\$ 240,503	\$ 147,471	\$ 1,484,599
48	ENDING CASH BALANCE	\$ 2,027,257	\$ 1,987,201	\$ 1,912,865	\$ 2,069,180	\$ 2,122,768	\$ 2,293,748	\$ 2,308,968	\$ 2,459,219	\$ 2,632,015	\$ 2,788,460	\$ 2,997,199	\$ 3,133,814	

## Debtor's Income and Expenses and Projected Plan Payments - 2020

49		Net Cash Carry															
		2,027,257	1,987,201	1,912,865	2,069,180	2,122,768	2,293,748	2,308,968	2,459,219	2,632,015	2,788,460	2,997,199	3,133,814				
CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total	
50	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
51	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
52	Admin	N/A		0	0	0	0	0	0	0	0	0	0	0	0	0	
53	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
54	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
55	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
56	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
57	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
58	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
59	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
60	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
61	Admin		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
62	Subtotal:			0	0	0	0	0	0	0	0	0	0	0	0	0	
Secured Creditors																	
63	Class 1		0	9.19%	0	0	0	0	0	0	0	0	0	0	0	0	
64	Class 2		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
65	Class 3		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
66	Class 4		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
67	Class 5		18,195	5% ver	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	1,444	17,328	
68	Class 6a		0	16%	0	0	0	0	0	0	0	0	0	0	0	0	
69	Class 6b		0	16%	0	0	0	0	0	0	0	0	0	0	0	0	
70	Class 6c		13,864	16%	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	14,037	
71	Class 6d		0	class 13	0	0	0	0	0	0	0	0	0	0	0	0	
72	Class 7		0	class 22	0	0	0	0	0	0	0	0	0	0	0	0	
73	Class 8		0	0%	0	0	0	0	0	0	0	0	0	0	0	0	
74	Class 9		0	0%	0	0	0	0	0	0	0	0	0	0	0	0	
75	Class 10		28,570	12%	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	2,356	28,266	
76	11a		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
77	11b		0	5%	0	0	0	0	0	0	0	0	0	0	0	0	
78	11c		9,046	5%	716	716	716	716	716	716	716	716	716	716	716	8,595	

## Debtor's Income and Expenses and Projected Plan Payments - 2020

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTERES T RATE	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
79 11d	USA - FAA	75,622	5%	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	14,448
80 11e	USA - TSA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
81 Class 11f	USA - Department of Transportation	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
82 11g	USA - OSHA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
83 11h	USA - EEOC	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
84 Class 11i	USA - USDA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
85 Class 12	Wells Fargo	0	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
86	<b>Subtotal:</b>			<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>6,890</b>	<b>82,674</b>

<b>Priority Creditors</b>																
87 Class 13	Priority Admin Convenience - Under \$5,000	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
88 Class 14	State of Arkansas	35,923	10%	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	35,148
89 Class 15	ODR	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
90 Class 16	City of Visalia	2,285	10% ver	189	189	189	189	189	189	189	189	189	189	189	189	2,268
91 Class 17	Tennessee DOR	4,446	7.50%	357	357	357	357	357	357	357	357	357	357	357	357	4,287
92 Class 18	San Diego County Treasurer	3,331	18.00%	288	288	288	288	288	288	288	288	288	288	288	288	3,456
93 Class 19	Sub Directo de Control de Ingresos por D	2,582	5%	203	203	203	203	203	203	203	203	203	203	203	203	2,436
94 Class 20	Distressed passenger reimbursement	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
95 Class 21	Employee Claims	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
96	<b>Subtotal:</b>			<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>3,966</b>	<b>47,595</b>

<b>Unsecured Creditors</b>																
97 Class 22	Administrative Convenience (\$200 or less) (gross \$7,673)	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
98 Class 23	Unsecured Claims (\$201 & over)(excluding Insiders) (gross \$4,558,270)(5% approx. dividend)	166,468	0.500%	20,909	0	0	20,909	0	0	20,909	0	0	20,909	0	0	83,634
99 Class 23	Profit Share Distribution	0		0	0	0	0	0	123,714	0	0	0	0	0	0	123,714
100	<b>Subtotal:</b>			<b>20,909</b>	<b>0</b>	<b>0</b>	<b>20,909</b>	<b>0</b>	<b>123,714</b>	<b>20,909</b>	<b>0</b>	<b>0</b>	<b>20,909</b>	<b>0</b>	<b>0</b>	<b>207,348</b>

Debtor's Income and Expenses and Projected Plan Payments - 2020

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTERES T RATE	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Unsecured Litigation Claims																
101	Class 24	Rob McKinney/OSHA Whistleblower Claim	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
102	Class 25	Airline Crash (of July 17, 2015) Claimants	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
103	Class 26	Nancy Botts/Tennessee Passenger	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
104	Class 27	Cathy Tutwiler/EEOC claim	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
105	Class 28	Fountain Village/Beardsley Unsecured Claim (gross \$4,154,500)/(10% dividend)	415,450	0%	0	0	0	0	0	0	0	0	0	0	0	0
106	Subtotal:			0	0	0	0	0	0	0	0	0	0	0	0	0
107	Total Plan Payments:			31,764	10,856	10,856	31,764	10,856	134,570	31,764	10,856	10,856	31,764	10,856	10,856	337,617
108	Net Cash Carry:			1,995,493	1,976,345	1,902,009	2,037,416	2,111,912	2,159,178	2,277,204	2,448,363	2,621,159	2,756,696	2,986,343	3,122,958	

## Debtor's Income and Expenses and Projected Plan Payments - 2021

Calendar Year 2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>1 BEGINNING CASH BALANCE</b>	\$ 3,122,958	\$ 3,072,081	\$ 1,105,109	\$ 1,036,588	\$ 1,194,741	\$ 1,284,823	\$ 1,141,056	\$ 1,285,199	\$ 1,483,405	\$ 1,366,394	\$ 1,560,784	\$ 1,825,804	
<b>Cash From Operations</b>													
2 Ticket Revenue	\$ 1,290,187	\$ 1,184,917	\$ 1,322,578	\$ 1,464,811	\$ 1,442,193	\$ 1,476,744	\$ 1,509,949	\$ 1,520,631	\$ 1,481,786	\$ 1,530,604	\$ 1,552,948	\$ 1,513,047	\$17,290,394
3 Service Charges & Fees	\$ 180,667	\$ 171,598	\$ 214,561	\$ 206,210	\$ 207,350	\$ 216,255	\$ 220,101	\$ 222,407	\$ 208,723	\$ 226,553	\$ 206,136	\$ 215,395	\$ 2,495,956
4 EAS Subsidy	\$ 661,807	\$ 661,807	\$ 597,761	\$ 661,807	\$ 640,458	\$ 661,807	\$ 640,458	\$ 661,807	\$ 661,807	\$ 640,458	\$ 661,807	\$ 640,458	\$ 7,792,243
5 Cash Received from Operations	\$ 2,132,660	\$ 2,018,321	\$ 2,134,901	\$ 2,332,829	\$ 2,290,000	\$ 2,354,805	\$ 2,370,508	\$ 2,404,845	\$ 2,352,316	\$ 2,397,616	\$ 2,420,891	\$ 2,368,900	\$27,578,593
<b>Other Cash Receipts</b>													
6 Community Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Preferential Payment Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 Total Other Cash Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash From Equity &amp; Debt Placements</b>													
10 Equity Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11 Debt Placement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 Debt Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Total Cash from Equity & Debt Placement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>15 TOTAL CASH RECEIPTS</b>	\$ 2,132,660	\$ 2,018,321	\$ 2,134,901	\$ 2,332,829	\$ 2,290,000	\$ 2,354,805	\$ 2,370,508	\$ 2,404,845	\$ 2,352,316	\$ 2,397,616	\$ 2,420,891	\$ 2,368,900	\$27,578,593
<b>Operating Expenses</b>													
16 Cost of Goods Sold													
17 Aircraft Leases	\$ 278,500	\$ 278,500	\$ 278,500	\$ 278,500	\$ 278,500	\$ 278,500	\$ 278,500	\$ 278,500	\$ 278,500	\$ 278,500	\$ 278,500	\$ 278,500	\$ 3,342,000
18 Aircraft Fuel	\$ 345,657	\$ 312,206	\$ 364,243	\$ 352,494	\$ 364,243	\$ 352,494	\$ 364,243	\$ 364,243	\$ 352,494	\$ 364,243	\$ 352,494	\$ 364,243	\$ 4,253,298
19 Insurance	\$ 33,773	\$ 33,773	\$ 33,773	\$ 33,773	\$ 33,773	\$ 33,773	\$ 33,773	\$ 33,773	\$ 33,773	\$ 33,773	\$ 33,773	\$ 33,773	\$ 405,279
20 Pilot Salaries, Taxes & Benefits	\$ 212,158	\$ 192,339	\$ 223,191	\$ 216,229	\$ 223,191	\$ 216,229	\$ 223,191	\$ 223,191	\$ 216,229	\$ 223,191	\$ 216,229	\$ 223,191	\$ 2,608,559
21 Maintenance - Salaries, Taxes, & Benefits	\$ 74,862	\$ 67,617	\$ 78,952	\$ 76,406	\$ 78,952	\$ 76,406	\$ 78,952	\$ 78,952	\$ 76,406	\$ 78,952	\$ 76,406	\$ 78,952	\$ 921,815
22 Engine Reserves	\$ 183,405	\$ 165,656	\$ 193,286	\$ 187,051	\$ 193,286	\$ 187,051	\$ 193,286	\$ 193,286	\$ 187,051	\$ 193,286	\$ 187,051	\$ 193,286	\$ 2,256,980
23 Repairs & Maintenance	\$ 263,857	\$ 239,368	\$ 277,490	\$ 268,887	\$ 277,490	\$ 268,887	\$ 277,490	\$ 277,490	\$ 268,887	\$ 277,490	\$ 268,887	\$ 277,490	\$ 3,243,713
24 Landing Fees	\$ 30,818	\$ 27,836	\$ 32,502	\$ 31,453	\$ 32,502	\$ 31,453	\$ 32,502	\$ 32,502	\$ 31,453	\$ 32,502	\$ 31,453	\$ 32,502	\$ 379,478
25 Other Expenses													\$ -
26 Other Salaries & Wages, Taxes & Benefits	\$ 350,883	\$ 331,494	\$ 361,831	\$ 355,015	\$ 361,831	\$ 355,015	\$ 361,831	\$ 361,831	\$ 355,015	\$ 361,831	\$ 355,015	\$ 361,831	\$ 4,273,420
27 Headquarters Expense	\$ 59,089	\$ 59,089	\$ 59,089	\$ 59,089	\$ 59,089	\$ 59,089	\$ 59,089	\$ 59,089	\$ 59,089	\$ 59,089	\$ 59,089	\$ 59,089	\$ 709,068
28 Maintenance Overhead	\$ 16,620	\$ 16,620	\$ 16,620	\$ 16,620	\$ 16,620	\$ 16,620	\$ 16,620	\$ 16,620	\$ 16,620	\$ 16,620	\$ 16,620	\$ 16,620	\$ 199,436
29 Marketing & Sales	\$ 150,317	\$ 142,154	\$ 170,075	\$ 164,784	\$ 166,552	\$ 170,003	\$ 172,089	\$ 173,272	\$ 165,065	\$ 178,951	\$ 166,908	\$ 172,999	\$ 1,993,171
30 Reservation & Distribution Expenses	\$ 98,945	\$ 98,945	\$ 98,945	\$ 98,945	\$ 98,945	\$ 98,945	\$ 98,945	\$ 98,945	\$ 98,945	\$ 98,945	\$ 98,945	\$ 98,945	\$ 1,187,343
31 Cure Assumed Lease Arrears	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32 Station Expenses	\$ 53,038	\$ 11,776	\$ 13,740	\$ 13,297	\$ 13,740	\$ 13,297	\$ 13,740	\$ 13,740	\$ 13,297	\$ 13,740	\$ 13,297	\$ 13,740	\$ 200,446
33 Cash Expended from Operations	\$ 2,151,922	\$ 1,977,373	\$ 2,202,238	\$ 2,152,543	\$ 2,198,715	\$ 2,157,761	\$ 2,204,252	\$ 2,205,435	\$ 2,152,824	\$ 2,211,114	\$ 2,154,667	\$ 2,205,162	\$25,974,004

## Debtor's Income and Expenses and Projected Plan Payments - 2021

	Calendar Year 2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
35	Other Cash Expenditures													
36	Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,148	\$ -	\$ -	\$ 285,299	\$ -	\$ -	\$ 275,102	\$751,548.69
37	Reimbursable Marketing Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Total Other Cash Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,148	\$ -	\$ -	\$ 285,299	\$ -	\$ -	\$ 275,102	\$ 751,549
39	Cash For Capital Investments													
40	Aircraft Deposits	\$ -	\$ 44,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,000	\$ 88,000
41	Airport & Facility Deposits	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
42	Spare Aircraft Parts	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 30,000
43	Equipment & Tooling	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 10,000
44	Ground Equipment & Station Fixtures	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500
45	Total Cash For Capital Investments	\$ -	\$ 70,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,000	\$ 134,500
46	TOTAL CASH EXPENDED	\$ 2,151,922	\$ 2,047,873	\$ 2,202,238	\$ 2,152,543	\$ 2,198,715	\$ 2,348,909	\$ 2,204,252	\$ 2,205,435	\$ 2,438,123	\$ 2,211,114	\$ 2,154,667	\$ 2,544,264	\$26,860,053
47	Net Cash Flow	\$ (19,261)	\$ (29,551)	\$ (67,337)	\$ 180,286	\$ 91,286	\$ 5,896	\$ 166,256	\$ 199,410	\$ (85,806)	\$ 186,502	\$ 286,225	\$ (175,364)	\$ 718,540
48	ENDING CASH BALANCE	\$ 3,103,697	\$ 3,042,530	\$ 1,037,772	\$ 1,216,854	\$ 1,286,027	\$ 1,290,719	\$ 1,307,311	\$ 1,484,609	\$ 1,397,598	\$ 1,582,896	\$ 1,827,008	\$ 1,650,440	

SeaPort Airlines, Inc. - Case No. 16-30406-rld11

Debtor's Income and Expenses and Projected Plan Payments - 2021

Net Cash Carry		3,103,697	3,042,530	1,037,772	1,216,854	1,286,027	1,290,719	1,307,311	1,484,609	1,397,598	1,582,896	1,827,008	1,650,440			
49																
CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTEREST RATE	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
50 Admin	Vanden Bos & Chapman	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
51 Admin	U.S. Trustee	N/A		0			0				0		0			0
52 Admin	Barran Liebman LLP	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
53 Admin	Embark Aviation	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
54 Admin	Hogan Lovells US LLP	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
55 Admin	MCB Consulting	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
56 Admin	Michael L. Larson Co. PC	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
57 Admin	Richmond & Quinn	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
58 Admin	Steven Graf, Inc.	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
59 Admin	Waller Lansden Dortch & Davis LLP	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
60 Admin	Insurance Carrier to designate	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
61 Admin	Perkins Cole LLP	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
62	Subtotal:			0	0	0	0	0	0	0	0	0	0	0	0	0
Secured Creditors																
63 Class 1	Ally Financial	0	9.19%	0	0	0	0	0	0	0	0	0	0	0	0	0
64 Class 2	Axis Capital	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
65 Class 3	Chase	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
66 Class 4	Jacobson & Wings Airline Svcs. Inc.	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
67 Class 5	Memphis, City of	1,397	5% ver	1,402	0	0	0	0	0	0	0	0	0	0	0	1,402
68 Class 6a	Multnomah County Tax Assessor	0	16%	0	0	0	0	0	0	0	0	0	0	0	0	0
69 Class 6b	Multnomah County Tax Assessor	0	16%	0	0	0	0	0	0	0	0	0	0	0	0	0
70 Class 6c	Multnomah County Tax Assessor	1,144	16%	1,159	0	0	0	0	0	0	0	0	0	0	0	1,159
71 Class 6d	Multnomah County Tax Assessor	0	class 13	0	0	0	0	0	0	0	0	0	0	0	0	0
72 Class 7	San Diego County Treasurer	0	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
73 Class 8	San Diego R.A. Authority	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
74 Class 9	First Republic Bank	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
75 Class 10	Shelby County Trustee Memphis TN	2,327	12%	2,350	0	0	0	0	0	0	0	0	0	0	0	2,350
76 11a	USA - IRS	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
77 11b	Class USA - US Customs & Border Protection	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
78 11c	Class USA - FAA	715	5%	718	0	0	0	0	0	0	0	0	0	0	0	718

Debtor's Income and Expenses and Projected Plan Payments - 2021

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTERES T RATE	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
79 11d	USA - FAA	64,717	5%	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	14,448
80 11e	USA - TSA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
81 11f	USA - Department of Transportation	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
82 11g	USA - OSHA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
83 11h	USA - EEOC	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
84 11i	USA - USDA	0	5%	0	0	0	0	0	0	0	0	0	0	0	0	0
85 11j	Wells Fargo	0	class 22	0	0	0	0	0	0	0	0	0	0	0	0	0
86	<b>Subtotal:</b>			<b>6,834</b>	<b>1,204</b>	<b>1,204</b>	<b>1,204</b>	<b>1,204</b>	<b>1,204</b>	<b>1,204</b>	<b>1,204</b>	<b>1,204</b>	<b>1,204</b>	<b>1,204</b>	<b>1,204</b>	<b>20,078</b>

<b>Priority Creditors</b>																
87	Class 13	Priority Admin Convenience - Under \$5,000	0	5%	0	0	0	0	0	0	0	0	0	0	0	0
88	Class 14	State of Arkansas	2,887	10%	0	0	0	0	0	0	0	0	0	0	0	2,911
89	Class 15	ODR	0	5%	0	0	0	0	0	0	0	0	0	0	0	0
90	Class 16	City of Visalia	149	10% ver	151	0	0	0	0	0	0	0	0	0	0	151
91	Class 17	Tennessee DOR	355	7.50%	357	0	0	0	0	0	0	0	0	0	0	357
92	Class 18	San Diego County Treasurer	227	18.00%	231	0	0	0	0	0	0	0	0	0	0	231
93	Class 19	Sub Directo de Control de Ingresos por D	222	5%	223	0	0	0	0	0	0	0	0	0	0	223
94	Class 20	Distressed passenger reimbursement	0	5%	0	0	0	0	0	0	0	0	0	0	0	0
95	Class 21	Employee Claims	0	5%	0	0	0	0	0	0	0	0	0	0	0	0
96	<b>Subtotal:</b>				<b>3,873</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,873</b>

<b>Unsecured Creditors</b>																
97	Class 22	Administrative Convenience (\$200 or less) (gross \$7,673)	0	0%	0	0	0	0	0	0	0	0	0	0	0	0
98	Class 23	Unsecured Claims (\$201 & over)(excluding insiders) (gross \$4,558,270)(5% approx. dividend)	83,443	0.500%	20,909	0	0	20,909	0	20,909	0	0	20,909	0	0	83,634
99	Class 23	Profit Share Distribution	0		0	0	0	0	148,460	0	0	0	0	0	0	148,460
100	<b>Subtotal:</b>				<b>20,909</b>	<b>0</b>	<b>0</b>	<b>20,909</b>	<b>0</b>	<b>20,909</b>	<b>0</b>	<b>0</b>	<b>20,909</b>	<b>0</b>	<b>0</b>	<b>232,094</b>

Debtor's Income and Expenses and Projected Plan Payments - 2021

CLASS	CREDITOR NAME	BALANCE OF CLAIM AMOUNT	INTERES T RATE	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
<b>Unsecured Litigation Claims</b>																
101	Class 24															
	Rob McKinney/OSHA Whistleblower Claim	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
102	Class 25															
	Airline Crash (of July 17, 2015) Claimants	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
103	Class 26															
	Nancy Botts/Tennessee Passenger	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
104	Class 27															
	Cathay Tutwiler/EEOC claim	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0
105	Class 28															
	Fountain Village/Beardsley Unsecured Claim	415,450	0%	0	415,450	0	0	0	0	0	0	0	0	0	0	415,450
106																
	Fountain Village Repayment of DIP loan	1,000,000	12%		1,520,767											1,520,767
107																
	<b>Subtotal:</b>			<b>0</b>	<b>1,936,217</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,936,217</b>
108	Total Plan Payments:															
109	Net Cash Carry:															
				31,616	1,937,421	1,204	22,113	1,204	149,664	22,113	1,204	1,204	22,113	1,204	1,204	2,192,263
				3,072,061	1,105,109	1,036,568	1,194,741	1,284,823	1,141,056	1,285,199	1,483,405	1,396,394	1,560,784	1,825,804	1,649,236	

**EXHIBIT 11**

**BALLOT**  
**FOR ACCEPTING OR REJECTING**  
**DEBTOR'S PLAN**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF OREGON

In re ) Case No. 16-30406-rld11  
 )  
SeaPort Airlines, Inc., ) BALLOT FOR ACCEPTING OR  
 ) REJECTING DEBTOR'S PLAN  
Debtor-in-Possession. )

Filed By: \_\_\_\_\_ on: \_\_\_\_\_  
Company or Creditor's Name Date

Number of your Class in the plan: \_\_\_\_\_.

The Plan referred to in this ballot can be confirmed by the court and thereby made binding on you if it is accepted by the holders of two-thirds in total dollar amount and more than one-half in number of Claims in each class and the holders of two-thirds in amount of equity security interests in each class voting on the Plan. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class rejecting it. To have your vote count, you must complete and return this ballot.

The undersigned: (check one box)

\_\_\_\_\_ Accepts \_\_\_\_\_ Rejects

the Debtor's Plan of Reorganization of the above-named Debtor.

Signed: \_\_\_\_\_ Title: \_\_\_\_\_

Street: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_ Zip: \_\_\_\_\_

Return this ballot on or before the date specified in the court order accompanying this Plan and Disclosure Statement to:

ROBERT J VANDEN BOS  
**ATTN: SeaPort Airlines, Inc.**  
**BALLOTS**  
The Spalding Building, Suite 520  
319 S.W. Washington Street  
Portland, Oregon 97204-2620  
Phone: (503) 241-4869  
Fax: (503) 241-3731

**NOTICE: "THIS FORM DOES NOT CONSTITUTE A PROOF OF CLAIM AND MAY NOT BE USED TO FILE A CLAIM OR TO INCREASE ANY AMOUNT LISTED IN THE DEBTOR'S SCHEDULES."**

**UNSECURED CREDITOR  
SPECIAL ELECTION CLASS**

Any Unsecured Creditor may elect to be included in Class 22 (Claims under \$200) and receive a one time cash payment of 80% of its Claim, without interest, (not to exceed \$160.00) payable within 30 days of the Effective Date.

Please indicate below if you wish to be included within Class 22. (If nothing is marked, you will be treated within the Class as defined in the Plan.)

\_\_\_\_\_ Yes, I want to be included in Class 22 and receive a one-time cash payment (without interest) of 80% in full and final satisfaction of my Claim, not to exceed \$160.00.

**NOTICE: "THIS FORM DOES NOT CONSTITUTE A PROOF OF CLAIM AND MAY NOT BE USED TO FILE A CLAIM OR TO INCREASE ANY AMOUNT LISTED IN THE DEBTOR'S SCHEDULES."**